

ANNUAL BUDGET OF  
**CITY OF**  
**uMHLATHUZE**

2014/15 TO 2016/17  
MEDIUM TERM REVENUE AND EXPENDITURE  
FORECASTS



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## Abbreviations and Acronyms

CFO	Chief Financial Officer	km	kilometre
CPI	Consumer Price Index	KPA	Key Performance Area
CRR	Capital Replacement Reserve	KPI	Key Performance Indicator
DoRA	Division of Revenue Act	kWh	kilowatt
DWA	Department of Water Affairs	ℓ	litre
EEDG	Energy Efficiency Demand Side Management Grant	LED	Local Economic Development
EPWP	Expanded public works programme integrated grant	MBRR	Municipal Budget Reporting Regulations
FBS	Free basic services	MFMA	Municipal Financial Management Act Programme
FMG	Financial Management Grant	MIG	Municipal Infrastructure Grant
GAMAP	Generally Accepted Municipal Accounting Practice	MPRA	Municipal Properties Rates Act
GFS	Government Financial Statistics	MSA	Municipal Systems Act
GRAP	General Recognised Accounting Practice	MTREF	Medium-term Revenue and Expenditure Framework
IDP	Integrated Development Strategy	NERSA	National Electricity Regulator South Africa
INEP	Integrated National Electrification Programme Grant	PMS	Performance Management System
ISDG	Infrastructure Skills Development Grant	PPE	Property Plant and Equipment
IT	Information Technology	RSC	Regional Services Council
kℓ	kilolitre	SALGA	South African Local Government Association
		SDBIP	Service Delivery Budget Implementation Plan
		SMME	Small Micro and Medium Enterprises

## Part 1 – Annual Budget

### 1.1 Mayor's Report

The Mayor's report will be tabled at the Executive Committee Meeting.

### 1.2 Council Resolutions

On 27 March 2014, the Council of the City of uMhlathuze will meet in the Council Chambers to consider the annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1. the Tabled Multi-year Medium Term Revenue and Expenditure Framework (MTREF) of the municipality for the Financial Year 2014/15 and indicative for the projected outer years 2015/2016 and 2016/2017 be approved as set out in the Budget Report **(DMS 911625)** and in the Budget tables A1 - A10 **(Annexure B1 - B13) (DMS 927335)**;
2. the 2012-2017 Integrated Development Plan (IDP) (Final) **(DMS 820202)** be incorporated into the Tabled 2014/2015 Multi-year Medium Term Revenue and Expenditure Framework (MTREF);
3. the Tabled 2014/15 Medium Term Revenue and Expenditure Framework aligned with the IDP's Developmental Objectives and Goals for the City of uMhlathuze be approved as follows:

R thousand	Adjusted Budget 2013/2014	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Operating Revenue	2 178 852	2 370 559	2 558 251	2 764 176
Total Operating Expenditure	2 173 799	2 363 247	2 535 196	2 739 449
<b>Surplus/ (Deficit) for the year</b>	<b>5 054</b>	<b>7 311</b>	<b>23 055</b>	<b>24 726</b>
<b>Total Capital Expenditure</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>

4. in terms of Section 2(3) of the Local Government: Municipal Property Rates Act the following property rates for the 2014/15 financial year be approved:

Category	Proposed tariff (from 1 July 2014)	Ratio to Residential Tariff
	<b>c</b>	
Residential properties	0,00721	1:1
Business, Commercial and Industrial Properties and Mining	0,01515	1:2,1
Agricultural Properties	0,00180	1:0,25
Agricultural Properties (business)	0,01515	1:2
Municipal Departmental	0,00721	1:1
Municipal Other	0,01515	1:2,1
State owned properties (residential)	0,00721	1:1
State owned properties (all other)	0,00829	1:1,15
Public Service Infrastructure	0,00180	1:0,25
Public benefit organisation properties	0,00180	1:0,25

5. on application by the relevant rate payers the following rebates be applied subject to the provisions contained in the Rates Policy:

- Agricultural properties - 5%
- Non Profit Organisations - 100%

6. The following in terms of the 2014/15 Property Rates Policy be approved-

- a) Owners of properties that already applied for and received pensioner rebate, will from now on only receive a letter to complete rather than following the complete application process;
- b) Child Headed Households can apply for a 100% rebate and will be evaluated in terms of the criteria set out in the Rates Policy. This is an annual application;
- c) In order to ensure proper and fair administration of rates shocks by the Municipality, the following be included under the criteria:

*“Rates shock will not apply in the case where the rates shock is due to improvement of the property.”*

7. the Rates Policy as contained in **Annexure D (DMS 945392)** be approved;
8. in addition to the reductions in recommendation (5) above and subject to the criteria set out in the Property Rates Policy a Sporting Body will be rated on the value of the improvements excluding change rooms and store rooms necessary for the sport;
9. in addition to the statutory R15 000 reduction in the valuation on residential properties a further reduction of R95 000 of the valuation on all developed residential properties valued at R 400 000 and below be made;
10. in addition to the reductions in recommendation (7) above and subject to the criteria set out in the Property Rates Policy an additional R150 000 reduction in the value of the primary residential property belonging to a pensioner or a social grantee be made;

11. in accordance with the implementation of the universal approach of the indigent policy improved residential property valued at R100 000 or less will be exempted from refuse and sewer charges. The following sliding scale will be applied for charges on improved residential properties higher than R100 000 on the following basis:
  - a) Properties valued between R100 001 and R170 000 will receive a rebate of 25% in respect of the sewer and refuse charges.
  - b) Properties valued at R170 001 and higher will pay the normal tariff.
12. the amendment of the Tariff of Charges as per **Annexure C (DMS 949372)** be approved;
13. the prepaid electricity tariffs for excess purchases over the individual consumer's average monthly electricity prepaid purchases for the 2014/2015 financial year be increased by 10%;
14. any work function or tariff not accommodated in the Tariff of Charges be dealt with as cost plus 20%;
15. the property rates and tariff adjustments as set out above be dealt in terms of Section 14 of the Local Government: Property Rates Act and Section 24 of the Municipal Finance Management Act 2003;
16. the contribution of 10,5% amounting to (R 130m) from Electricity Trading Service to Rates and General Service be calculated on total electricity operating expenditure and will be appropriated at the end of the financial year. It be noted that electricity tariffs on average include a Local Government Levy of 10,5%, revenue of which is used to finance the Rates and General services (all municipal services other than trading services);
17. the profit on sale of all erven be allocated 100% to the Rates and General Capital Replacement Reserve account as applicable from 1 July 2013;



18. in terms of various policies the following increases in allowances are submitted to Council for approval:

	<b>Approved 2013/2014 Tariffs</b>	<b>Proposed Tariffs - 2014/15</b>
	<b>R</b>	<b>R</b>
Standby - Travel allowance	79	85
Standby - Subsistence allowance	50	55
Subsistence allowances		
• Daily allowance	111	120
• Overnight allowance	150	160
• Own accommodation	210	220
Accommodation		
• All employees	950	1 000
• All councillors and Section 56 employees	1 583	1 675
• Municipal Manager, Mayor/ Deputy Mayor, Speaker and Municipal Chief Whip	2 638	2 795
Ward committee members	1 000	1 070

19. in terms of various unspent conditional grants received from the National Fiscus Council hereby requests that the Municipal Manager via letters to the respective transferring officers apply for a roll-over of funds received in 2013/14 financial year to the next financial year, namely the 2014/15 financial year;
20. only upon the point when 70% of 2013/14 capital budget is spent during the 2013/14 financial year, will the Chief Financial Officer be authorised to proceed with the 2014/15 capital loan of R 85 million application process;
21. the Municipal Manager prepare a report to Council, before the completion of the 2015/16 MTREF that will inform Council of the correct municipal grading and of the organisational and financial implications thereof, together with an appropriate implementation plan; and
22. it be noted that financial implications of Directive 7 regarding depreciation on revalued assets is awaited from the Accounting Standards Board.

23. the following meetings are proposed prepared by the Community Facilitation section for the 2014/15 budget public participation meetings:

CLUSTER	WARDS	VENUE	PROPOSED DATE	TIME
	Amakhosi	R/Bay Civic Centre (Auditorium)	2 April 2014 (Wednesday)	10:00
1	Ward Committees	R/Bay Civic Centre (Auditorium)	3 April 2014 (Thursday)	17:00
12	Stakeholders	R/Bay Civic Centre (Council Chambers)	4 April 2014 (Friday)	09:00
8	15, 16, 17, 21, 22	eSikhaleni College	5 April 2014 (Saturday)	14:00
10 & 11	24, 25, 27, 28, 29	Ngwelezane Community Hall	Joint Budget Road show with uThungulu 6 April 2014 (Sunday)	14:00
6	9, 23, portion 24	Empangeni Town Hall	9 April 2014 (Wednesday)	17:00
5	1, 2, 3, 4, 26	R/Bay Civic Centre (Auditorium)	10 April 2014 (Thursday)	17:00
4	10, 11, 30	Vulindlela Hall	12 April 2014 (Saturday)	14:00
7	12, 13, 14	Mandlankala Community Hall	13 April 2014 (Sunday)	14:00
9	18, 19, 20	Hlanganani Community Hall	26 April 2014 (Saturday)	14:00
2 & 3	5, 6, 7 & 8	Emayini Sportsfield	27 April 2014 (Sunday)	14:00

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the City's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

In the process of compiling this Tabled 2014/15 MTREF the submissions received from the Departments could be broken down into the following categories:

- First scenario
  - Operating Budget = Deficit of R 495m (Target = R 10m surplus)
  - Capital Budget = Requests of R 445m (Target = R 259m)
- Second scenario
  - Operating Budget = Deficit of R 200m (Target = R 10m surplus)
  - Capital Budget = Balanced figures – departments met Budget Guideline targets = R 259m
- Third scenario
  - Operating Budget = Surplus of R 7,3m
  - Capital Budget = Balanced figures – departments met Budget Guideline targets = R 259m

A critical review was also undertaken of expenditures on noncore and 'nice to have' items in line with NT's Cost containment measures outlined in NT's MFMA circular number 70. Emphasis was placed on providing of funds for the repairs and maintenance cost centres.

National Treasury's MFMA Circular No. 70 and 72 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The ongoing difficulties in curbing an endless list of "wants" but without a corresponding revenue resource or corresponding growth in existing revenue stream to meet such "wants";
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The dire need for credible business plans and budget working papers from the service delivery Departments;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/15 MTREF process;
- The dire need for an efficient and effective business ethic to be applied to all the municipalities business processes regardless of whether the intended outcome of such process is of a social, economic or profit making nature; and
- Insufficient capital investment for all major infrastructure improvements.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Budget Memorandum sent out in September 2013;
- The allocation of own funding for capital (CRR and loans) to the various service departments is based on the IDP priority rating model;
- Tariff and property rate increases should be affordable although it needs to be noted that the rates and general services (all municipal services funded by rates revenue) is still very dependent on the surpluses generated by the electricity revenue. This risk is mitigated by attempting to keep electricity tariffs as low as possible but simultaneously increasing Rates by above inflationary figures, so as to at least have an affordable basket of services tariffs for the consumers but at the same time right sizing the rates base;
- In relation to the above risk, extra effort has been placed on curbing the operational expenditures within the Rates and General Services departments;
- It be noted that both Bulk purchases for water and electricity are above the National Treasury inflationary guidelines, increases are beyond Council's control;
- It be noted that the Tabled 2014/15 MTREF does not include any provision for vacant posts not previously budgeted for. This figure amounts to R 104m.
- It should also be noted that pension provisions for all categories of members are now evenly provided. This has required an additional provision of R 13million on the Pension expense; and
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2014/15 MTREF**

R thousand	Adjusted Budget 2013/2014	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Operating Revenue	2 178 852	2 370 559	2 558 251	2 764 176
Total Operating Expenditure	2 173 799	2 363 247	2 535 196	2 739 449
<b>Surplus/ (Deficit) for the year</b>	<b>5 054</b>	<b>7 311</b>	<b>23 055</b>	<b>24 726</b>
<b>Total Capital Expenditure</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>

Total operating revenue has grown by 9 per cent or R192 million for the 2014/15 financial year when compared to the 2013/14 Adjusted Budget. For the two outer years, operational revenue will increase by 8 per cent for both years respectively, equating to a total revenue growth of R585 million over the MTREF when compared to the 2013/14 financial year.

Total operating expenditure for the 2014/15 financial year has been appropriated at R2 363 million and translates into a budgeted surplus of R7,3 million. When compared to the 2013/14 Adjusted Budget, operational expenditure has grown by 9 per cent in the 2014/15 budget and by 7 and 8 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R23 million and then stabilises at R25 million.

The capital budget of R259 million for 2014/15 is 45 per cent less when compared to the 2013/14 Adjusted Budget. There is a significant possibility that this figure will increase for the 2014/15

Adopted MTREF due to the slow spending in the current year which will result in carry over projects that have not been completed and been included in the Adopted 2014/15 Capital Budget.

The capital programme increases to R309 million in the 2015/16 financial year and then increases in 2016/17 to R 321 million. A portion of the capital budget will be funded from borrowing over MTREF with anticipated borrowings of R85,5 million in 2014/15 and R 90 million in 2015/16 of the MTREF. Borrowing will contribute 33, 29 and 39 per cent of capital expenditure in each of the MTREF years. The balance will be funded from internally generated funds. The repayment of capital and interest (debt services costs) has decreased over the past five years and is forecasted to remain constant over the MTREF period.

The slow spend on the 2013/14 Adjusted Capital Budget is of serious concern to Administration, however a plan has been prepared to expedite the implementation of the procurement process for the 2014/15 MTREF. Such procurement plans will be included in the 2014/15 Adopted MTREF report.

## **1.4 Operating Revenue Framework**

The City of uMhlathuze requires sustainable revenue streams in order to improve the lives of its citizens. The recession and global crisis which started in the 2008 years created tough economic times which the City has steered through because of the strong revenue management initiatives and policies which are continuously reviewed for improvement. The harsh reality is that we are faced with limitations which are as a result of the high unemployment within the jurisdiction of the City of uMhlathuze. The need to ensure that the revenue generated enables economic development while also eradicating backlogs and poverty is a balancing act which requires the education of the new customer but also ensuring that the expected level of service to the customer who are already being serviced is maintained.

The expenditure required to address these challenges will inevitably always exceed available funding, hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues. The element of cross subsidisation can therefore not be ignored as a methodology to ensure that the poorest of the poor have access to services. The universal approach to free basic services have been refined to be in line with the outcomes of The World Economic Forums Global Risk 2014 survey which indicated that apart from unemployment the scarcity of water is playing a global risk issue and therefore water conservation requires to be elevated and reflected within our tariff modelling as a City.

The City has historically lagged behind in comparison to other secondary city tariffs. Over the past three financial years the pricing risk strategy was introduced with a view to try to catch up on the gap, when the bench marking to other cities is done. This initiative alone would ordinarily yield the required results however it has been apparent that the expenditure requirements on the operation budget were also growing and hence the outcomes of the strategy are short lived. The business processes' of the municipality needs to improve in all its' administrative and decision making processes.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure an above 98 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had to be adjusted to cater for affordable tariffs;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs where economically possible;
- Revenue protection and enhancement strategy;
- Pricing risk strategy;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>									
Property rates	178 078	204 614	238 007	275 000	280 000	280 000	314 000	345 400	379 940
Service charges - electricity revenue	766 601	966 962	1 091 706	1 141 500	1 288 622	1 288 622	1 385 000	1 495 800	1 615 464
Service charges - water revenue	128 360	134 008	158 637	166 853	174 681	174 681	204 600	222 922	242 887
Service charges - sanitation revenue	54 755	59 702	66 946	74 241	72 841	72 841	78 000	84 240	90 979
Service charges - refuse revenue	39 044	46 088	52 520	57 050	58 390	58 390	62 000	66 960	72 317
Service charges - other	14 516	18 483	18 468	12 472	12 934	12 934	12 561	13 440	14 380
Rental of facilities and equipment	10 901	16 133	16 860	10 878	9 086	9 086	8 234	8 810	9 426
Interest earned - external investments	2 565	4 012	14 499	4 152	10 100	10 100	10 605	11 135	11 692
Interest earned - outstanding debtors	1 284	1 639	1 778	1 597	1 673	1 673	1 542	1 650	1 766
Fines	1 645	3 005	10 550	10 102	9 302	9 302	8 877	9 499	10 163
Licences and permits	1 867	1 831	1 933	2 747	1 846	1 846	1 728	1 849	1 986
Agency services	4 603	5 922	6 093	5 800	6 200	6 200	6 350	6 795	7 270
Transfers recognised - operational	157 427	183 050	202 114	219 635	236 994	236 994	260 509	272 068	287 010
Other revenue	27 011	13 129	108 315	15 729	16 183	16 183	16 553	17 685	18 896
Gains on disposal of PPE	2 350	5 857	569	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 391 008</b>	<b>1 664 435</b>	<b>1 988 995</b>	<b>1 997 756</b>	<b>2 178 852</b>	<b>2 178 852</b>	<b>2 370 559</b>	<b>2 558 251</b>	<b>2 764 176</b>

**Table 3 Percentage growth in revenue by main revenue source**

Description R thousand	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
<b>Revenue By Source</b>								
Property rates	280 000	12.9%	314 000	13.2%	345 400	13.5%	379 940	13.7%
Service charges - electricity revenue	1 288 622	59.1%	1 385 000	58.4%	1 495 800	58.5%	1 615 464	58.4%
Service charges - water revenue	174 681	8.0%	204 600	8.6%	222 922	8.7%	242 887	8.8%
Service charges - sanitation revenue	72 841	3.3%	78 000	3.3%	84 240	3.3%	90 979	3.3%
Service charges - refuse revenue	58 390	2.7%	62 000	2.6%	66 960	2.6%	72 317	2.6%
Service charges - other	12 934	0.6%	12 561	0.5%	13 440	0.5%	14 380	0.5%
Rental of facilities and equipment	9 086	0.4%	8 234	0.3%	8 810	0.3%	9 426	0.3%
Interest earned - external investments	10 100	0.5%	10 605	0.4%	11 135	0.4%	11 692	0.4%
Interest earned - outstanding debtors	1 673	0.1%	1 542	0.1%	1 650	0.1%	1 766	0.1%
Fines	9 302	0.4%	8 877	0.4%	9 499	0.4%	10 163	0.4%
Licences and permits	1 846	0.1%	1 728	0.1%	1 849	0.1%	1 986	0.1%
Agency services	6 200	0.3%	6 350	0.3%	6 795	0.3%	7 270	0.3%
Transfers recognised - operational	236 994	10.9%	260 509	11.0%	272 068	10.6%	287 010	10.4%
Other revenue	16 183	0.7%	16 553	0.7%	17 685	0.7%	18 896	0.7%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 178 852</b>	<b>100%</b>	<b>2 370 559</b>	<b>100%</b>	<b>2 558 251</b>	<b>100%</b>	<b>2 764 176</b>	<b>100%</b>
Total revenue from rates and service charges	1 887 469	86.6%	2 056 161	86.7%	2 228 762	87.1%	2 415 967	87.4%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. The municipality will continue to significantly generate its own revenue and will only depend on the operational transfers to the equivalent of 10,9 per cent. This is due the Rates and Service Charges being above 80 per cent of the total expected revenue. The municipality has through its pricing risk strategy targeted to grow its rates base to be in relation to the grade of the municipality. The municipality is still prejudiced by the Traditional Authorities not yet forming part of the MPRA while geographically representing 47 per cent of the municipal jurisdiction. This in no doubt places limitations to the growth of the rates base for the municipality; while increases the pressure to deliver services to previously un-served areas. Property Rates have on average increased by R 32,75 million and are now 13,2 per cent of the total revenue and is the second highest contributor to the municipal revenue.

The Service charges-electricity contribution to revenue increased by R 96,4 million from the 2013/2014 expected budget full year forecast. This mainly represents the percentage increases in tariffs and has not assumed any growth rate in the customers' users for the City. The increases applied in the electricity tariffs are on average 8 per cent. The municipality is still **very** dependent on electricity to cross subsidise Rates and General Trading services.

The second highest contributor (from service charges excluding rates) based on the year on year comparison is from the sale of water. In the 2014/15 MTREF water is expected to bring an additional R 29,9 million.

Rates and service charges revenues represent 86,7 per cent of total revenue. The contribution represented 86,6 percent in the 2013/2014 MTREF. This translated to a R168,6 million rand increase in the 2014/15 MTREF. Revenue from rates and services charges totalled R2,056 billion moving from R1,887 billion in the 2013/2014 MTREF. Tariff increases in for rates and service

charges have increased mainly affected by the expense for the bulk supply and based on the pricing risk strategy of the municipality. While milestones have been reached in reforming the tariff regime the percentage contributed by rates and service charges has only increased by 0,1 per cent. This indicates that affordability has been taken into consideration by the municipality while trying to strike a balance with our strategic agenda of wanting to have cost reflective tariffs but also not burdening the rate payer.

The bulk increase from Eskom has been a single digit increase, this has provided less pressure in comparison to other years yet the ageing infrastructure for electricity requires attention. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 67 MBRR SA1 (see page 140 to 143).

An insignificant source of revenue is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. Yet the tariffs have in practise just been escalated by the inflation index as guided by the circular.

Operating grants and transfers totals R236 million in the 2013/14 financial year and steadily increases to R287 million by 2016/17. Note that the year-on-year growth for operating grant on all the years does not exceed 11 per cent contribution to the budget.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	2 318	1 578	3 800	515	515	515	515	515	515
Current year receipts	148 783	171 245	183 679	208 070	212 185	212 185	233 951	247 988	262 684
<b>Conditions met - transferred to revenue</b>	<b>149 523</b>	<b>169 023</b>	<b>186 964</b>	<b>208 070</b>	<b>212 185</b>	<b>212 185</b>	<b>233 951</b>	<b>247 988</b>	<b>262 684</b>
Conditions still to be met - transferred to liabilities	1 578	3 800	515	515	515	515	515	515	515
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	2 014	1 665	823	5 757	5 757	5 757	5 757	5 757	5 757
Current year receipts	5 674	8 176	15 197	6 709	19 552	19 552	21 701	19 223	19 470
<b>Conditions met - transferred to revenue</b>	<b>6 023</b>	<b>9 018</b>	<b>10 262</b>	<b>6 709</b>	<b>19 552</b>	<b>19 552</b>	<b>21 701</b>	<b>19 223</b>	<b>19 470</b>
Conditions still to be met - transferred to liabilities	1 665	823	5 757	5 757	5 757	5 757	5 757	5 757	5 757
<b>District Municipality:</b>									
Balance unspent at beginning of the year	166	229	205	34	34	34	34	34	34
Current year receipts	1 383	4 348	4 603	4 856	4 856	4 856	4 856	4 856	4 856
<b>Conditions met - transferred to revenue</b>	<b>1 320</b>	<b>4 372</b>	<b>4 774</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>
Conditions still to be met - transferred to liabilities	229	205	34	34	34	34	34	34	34
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	1 447	2 208	3 001	2 528	2 528	2 528	2 528	2 528	2 528
Current year receipts	1 322	1 430	105	—	400	400	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>561</b>	<b>637</b>	<b>113</b>	<b>—</b>	<b>400</b>	<b>400</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	2 208	3 001	2 528	2 528	2 528	2 528	2 528	2 528	2 528
<b>Total operating transfers and grants revenue</b>	<b>157 427</b>	<b>183 050</b>	<b>202 114</b>	<b>219 635</b>	<b>236 994</b>	<b>236 994</b>	<b>260 509</b>	<b>272 068</b>	<b>287 010</b>

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

The City has strived to ensure that affordability takes preference over the just achieving the desired income from a tariff increases which would be counterproductive. The level of debt collection for the municipality has remained relatively consistent throughout the years and



continuous improvement in this area is continuously sort. The “traditional area customer base” is increasing and now represents 14 735 of the 50 000 meters which council has. This is the present area where customer education will be focused on.

The percentage increases of both Eskom and Mhlathuze Water bulk tariffs are far beyond the mentioned inflation target of 6.2 as they are 8 percent and 8.43 respectively. Given that these tariff increases are determined by external agencies, the impact they have on the municipality’s electricity and in these tariffs are largely outside the control of the City and the recovery of these increases from the municipal customer base is unavoidable. Discounting the impact of these price increases in lower consumer tariffs will affect the City’s future financial position and viability. The extension of services for social reasons does not come with the necessary financial support required and the element of cross subsidisation therefore becomes more paramount in the MTREF.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the City has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

Property rates cover the cost of the provision of general services. The municipality has a rates base which is lower what it desires as Rates and general is making a loss of R 166 million (Target – to at least break even the Rates and General Services). Determining the effective property rate tariff is therefore an integral part of the municipality’s budgeting process yet rate payers cannot be expected to pay double what their contribution is and hence why the progressive double digit increases are planned going forward. The municipality will be investigating having urban improvement precincts in the 2015/16 MTREF with a view to increase the rates base. This will affect the Spatial Planning of the municipality and requires extensive public participation.

The municipality has adhered to the regulations which came into effect on 1 July 2009 and prescribing the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1.

**Rates Policy**

State the following:

***“5. Annual review of rates policy.—***

*(1) A municipal council must annually review, and if necessary, amend its rates policy. Any amendments to a rates policy must accompany the municipality’s annual budget when it is tabled in the council in terms of section 16 (2) of the Municipal Finance Management Act.*

*(2) Section 3 (3) to (6), read with the necessary changes as the context may require, apply to any amendment of a rates policy. Community participation in amendments to a rates policy must be effected through the municipality’s annual budget process in terms of sections 22 and 23 of the Municipal Finance Management Act.”*

The following changes are proposed for the 2014/15 financial year.

- ❖ Owners of properties that already applied for and received pensioner rebate, will from now on only receive a letter to complete rather than following the complete application process
- ❖ Child Headed Households can apply for a 100% rebate and will be evaluated in terms of the criteria set out in the Rates Policy. This is an annual application.
- ❖ In order to ensure proper and fair administration of rates shocks by the Municipality, the following be included under the criteria -

*“Rates shock will not apply in the case where the rates shock is due to improvement of the property.”*

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year based on a 10 per cent increase from 1 July 2014 is contained below:

**Table 5 Comparison of proposed rates to levied for the 2014/15 financial year**

Category	Current Tariff (1 July 2013)	Proposed tariff (from 1 July 2014)	Ratio to Residential Tariff
	<b>c</b>	<b>c</b>	
Residential properties	0,00644	0,00721	1:1
Business, Commercial and Industrial Properties and Mining	0,01288	0,01515	1:2,1
Agricultural Properties	0,00161	0,00180	1:0,25
Agricultural Properties (business)	0,01288	0,01515	1:2
Municipal Departmental	0,00644	0,00721	1:1
Municipal Other	0,01288	0,01515	1:2
State owned properties (residential)	0,00644	0,00721	1:1
State owned properties (administration)	0,00644	0,00829	1:1,15
Public Service Infrastructure	0,00161	0,00180	1:0,25
Public benefit organisation properties	0,00161	0,00180	1:0,25

#### 1.4.2 Sale of Water and Impact of Tariff Increases

As part of the Revenue Enhancement Strategy the Water Trading service was analysed and the outcomes indicated that the required revenue is far greater than current revenue streams being received from the trading service. The contribution of Equitable Share to the water service was R 71,4 million. This grant funding was made up 35 percent of the Equitable Share. This revealed that the trading services tariffs were not adequate to recover the cost of provision of water. The budget steering committee members were sensitive to the fact that the City's water tariffs were lagging in comparison to other cities. The losses on the trading service had not reached the desired target as per the National Treasury guidelines for ratios of 15 to 30 per cent and hence revenue protection was identified as the first and prerequisite step to turning the trading service around. (Source MFMA Circular number 71 – Financial Ratios and Norms.) The municipality's water loss for the 2012/13 was 32,7 per cent.

The most important initiative which is introduced in the 2014/15 MTREF is to not provide the first 6KL for free to consumer who can afford to pay and those who do not undertake initiative to ensure that their water consumption is below the 6 kL. This initiative will ensure that efficient and sustainable water consumption is every resident's target. Collectively the consumption of water can therefore be reduced as water is a scarce resource. The Infrastructure department will be also continuing with their water forums and water education programmes in schools within the City. The 2014/15 actual consumer behaviour will be analysed to ensure that the trends which are envisaged by Council will materialise and where they don't; remedial actions will be taken.

The tariffs for the 2014/15 MTREF are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion. It needs to be understood that although the water cost centre is cost reflective the corresponding tariffs for water are subsidised by firstly “equitable share” and secondly the “upper tiers of the inclining block tariffs”.

The current inclining block tariffs of the City presently are:

- structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent) as they do provide the 6 kℓ for free to consumers who consume less than 6 kℓ and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The positive milestone which has been achieved is that with the tariff remodelling in the 2014/15 MTREF water will only be subsidised by 35 per cent of the Equitable Share. A detailed analysis will be conducted in the 2014/15 year which will look at what the cost of purification is for the municipality as majority of the water supply of the Council comes predominately from lakes.

The Department of Water Affairs has assisted in funding maintenance programmes which are envisaged to ensure that water interruptions are kept at a minimum for the ageing infrastructure in the previous R 293 Towns.

A tariff increase of between 5 and 7 per cent is proposed for residential customers from the 1<sup>st</sup> of July 2014. The business customers can expect an increase of 10 per cent is proposed. This is based on input cost assumptions of 8,48 per cent increase in the cost of bulk water (Mhlathuze Water), the cost of other inputs increasing by 6,2 per cent. The trading service is making a loss of R30,9 million even with the grants received. This is indicative of the progress that is still required from the performance of the trading service.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 6 Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2013/14	PROPOSED TARIFFS 2014/15
	Rand per kℓ Prices excluding VAT	Rand per kℓ Prices excluding VAT
<b>RESIDENTIAL</b>		
0 - 0.2 kℓ per day (0 - 6 kℓ)	0	0
0 - 0.2 kℓ per day (0 - 6 kℓ)	0	1,6313
0.2 - 0.5 kℓ per day (7 - 15 kℓ)	3,1073	3,2937
0.5 - 1.0 kℓ per day (16 - 30 kℓ)	6,9759	7,4642
1.0 - 2.0 kℓ per day (31 - 60 kℓ)	8,1891	9,8912
2 and above kℓ per day (60+ kℓ)	8,9089	12,9012
<b>NON-RESIDENTIAL</b>		
0,0 - 0,5 kℓ per day	5,4643	5,8468
0,5 - 1,0 kℓ per day	7,7509	8,5260
1,0 - 2,0 kℓ per day	9,1538	10,0692
above 2,0 kℓ per day	9,0419	9,9461

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

**Table 7 Comparison between current water charges and increases (Domestic)**

<b>Monthly consumption kℓ</b>	<b>Current amount payable R</b>	<b>Proposed amount payable R</b>	<b>Difference (Increase) R</b>	<b>Percentage change</b>
20	139,52	149,28	9,77	7%
30	209,28	223,93	14,65	7%
40	327,56	395,65	68,08	21%
50	409,46	494,56	85,11	21%
80	712,71	1 032,10	319,38	45%
100	890,89	1 290,12	399,23	45%

The change in tariff model should see household who were not water conscious change their behaviour. This however also means that the 14735 traditional authority customers need to have the dedicated time and attention in order to ensure that as new customers their queries and leaks reported are resolved quickly.

#### **1.4.3 Sale of Electricity and Impact of Tariff Increases**

The electricity tariff increases which the City has applied to NERSA for are between 7.39 and 8.06 per cent and are to be effective from the 1<sup>st</sup> of July 2014.

Registered indigents will again be granted 50 kWh per month.

The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

**Table 8 Comparison between current electricity charges and increases (Domestic)**

<b>Monthly Consumption kWh</b>	<b>Current amount payable R</b>	<b>Proposed amount payable R</b>	<b>Difference (Increase) R</b>	<b>Percentage change</b>
<b>100</b>	84,41	93,49	9,08	11%
<b>250</b>	268,50	299,65	31,15	12%
<b>500</b>	537,00	599,30	62,30	12%
<b>750</b>	843,90	940,12	96,23	11%
<b>1 000</b>	1 317,80	1 459,60	141,80	11%
<b>2 000</b>	2 263,56	2 919,20	655,64	29%

The municipality implements the inclining block tariff and this stepped tariff structure has a higher tariff as customer consumption increases. The aim is to subsidise the lower consumption users (mostly the poor) and to use the benchmark as provided by NERSA. The City has been implementing this inclining block tariff for the past three years and it causes an increase in the volumes of sales to be experienced during the first days of the month when the tariffs are in their first scale for prepaid customers. The municipality has opened third party channels to ensure convenience to those customers who wish to not be inconvenienced by long queues during these peak times.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the City. Most of the suburbs and inner city reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the City's electricity network has therefore become a strategic priority, especially the substations and transmission lines. The National and Provincial Government will be approached to provide funding of R 78 million for the two 132 KVA cables that supplies the South Dunes – Port. The electricity supply to this area is of National and Provincial interest hence the City is optimistic that financial aid will be provided as the GDP contribution of the key customers in this supply area is too huge to risk interruptions to the power.

The approved budget for the Electricity department can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure. The electricity supply to the eSikhaleni area also requires an upgrade as its one of the areas without a backup line. This being said, it has been hard to prioritize this need for upgrade over the Cygnus PowerStation upgrade which has not been done and also places the network at a back foot. The funding required to address the electrification risk as identified by **RPT 153971** the electricity department was estimated at R 526.8 million in 2013/2014 and if escalated by the 6.2 per cent will be R 559.4 million in the 2014/15 MTREF.

The capital requirement clearly mentioned above cannot be funded through municipal tariffs alone. Funding these necessary upgrades and renewals through increases in the municipal electricity tariff would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and approved to spread the burden over the life span of the assets. As part of the 2015/16 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

#### **1.4.4 Sanitation and Impact of Tariff Increases**

A tariff increase of 8 per cent for sanitation from 1 July 2014 is proposed. This is based on the input cost assumptions related to water. The sanitation tariffs are based on the valuation roll scales. The tariff imposed escalates as the property value increases. Properties below the market value of R100 000 are not charged for sewerage discharged. The total revenue expected to be generated from rendering this service amounts to R 78 million for the 2014/15 financial year. The contribution of R 88 064 000 from the Equitable Share is currently envisaged to subsidize sanitation in the 2014/15 MTREF.

The following table compares the current and proposed tariffs:

**Table 9 Comparison between current sanitation charges and increases**

CATEGORY	CURRENT TARIFF 2013/14		PROPOSED TARIFF 2014/15	
	per cent DISCHARGED	TARIFF PER kℓ	per cent DISCHARGED	TARIFF PER kℓ
		R		R
19 – 24 kℓ per 30-day period	Assume constant discharge of 20 kℓ per 30- day period	6,24	Assume constant discharge of 20 kℓ per 30-day period	6,74

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

**Table 10 Comparison between current sanitation charges and increases, single dwelling-houses**

Monthly sanitation consumption kℓ	Current amount Payable R	Proposed amount payable R	Difference (8% increase) R
20	124,80	134,80	10

Refer to the comprehensive Tariff of Charges contained on **Annexure C (DMS 949372)** for residential, business and undeveloped sites tariffs.

#### **1.4.5 Waste Removal and Impact of Tariff Increases**

Solid waste removal is currently being subsidised by R 40,9 million from the Equitable Share Grant in the 2014/15 MTREF. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The City will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. An 8 per cent increase in the waste removal tariff is proposed from 1 July 2014.

The following table compares current and proposed amounts payable from 1 July 2014:

**Table 11 Comparison between current waste removal fees and increases**

	<b>CURRENT TARIFF 2013/14</b>	<b>PROPOSED TARIFF 2014/15</b>
Tariff per property valuation on a sliding scale per month:	Per month (R)	Per month (R)
0 – 100 000	0	0
100 001 – 170 000	67,87	73,30
170 001 – 400 000	90,49	97,73
400 001 – 600 000	90,89	98,16
600 001 – 800 000	91,29	98,59
800 001 – 1 000 000	91,69	99,03
1 000 001 – 1 500 000	92,09	99,46
1 500 000+	92,49	99,89

#### **1.4.6 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 9,30 (Middle income range – R 186,68); 10,0 (Affordable Range – R 126,59) and 9,10 (Indigent – R 32,48) per cent.

Middle income household range is defined as:

- property value of R700 000;
- 1 000 kWh electricity; and
- 30kl water.

Affordable household range is defined as:

- property value of R500;
- 500 kWh electricity; and
- 25kl water

Indigent household is defined as:

- property value of R 300 000;
- 350kWh electricity; and
- 20kl water (50 kWh electricity and 6 kl water free).



Table 12 MBRR Table SA14 – Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
Rates and services charges:										
Property rates	301.40	339.08	384.74	367.62	367.62	367.62	12.0%	411.57	460.79	515.90
Electricity: Consumption	745.60	885.88	1 038.05	1 040.24	1 040.24	1 040.24	7.6%	1 119.06	1 203.88	1 295.13
Water: Basic levy	–	–	–	–	–	–	100.0%	14.91	15.89	16.94
Water: Consumption	97.28	108.09	121.89	132.60	132.60	132.60	6.8%	141.61	151.23	161.50
Sanitation	91.20	102.60	116.00	124.80	124.80	124.80	8.0%	134.80	137.59	144.47
Refuse removal	61.16	69.11	78.09	91.29	91.29	91.29	8.0%	98.59	106.48	114.99
Other	–	–	–	–	–	–	–	–	–	–
sub-total	1 296.64	1 504.76	1 738.77	1 756.55	1 756.55	1 756.55	9.3%	1 920.54	2 075.86	2 248.93
VAT on Services	139.33	163.20	189.56	194.45	194.56	194.56		211.25	226.11	242.62
Total large household bill:	1 435.97	1 667.96	1 928.33	1 951.00	1 951.11	1 951.11	9.3%	2 131.79	2 301.97	2 491.55
% increase/-decrease		16.2%	15.6%	1.2%	4.1%	4.1%		9.3%	8.0%	8.2%
<b>Monthly Account for Household - 'Affordable Range'</b>										
Rates and services charges:										
Property rates	213.40	240.08	272.41	260.28	260.28	260.28	12.0%	291.40	326.25	365.27
Electricity: Consumption	372.76	399.98	432.06	572.66	572.66	572.66	7.9%	617.66	666.21	718.57
Water: Basic levy	–	–	–	–	–	–	100.0%	14.91	15.89	16.94
Water: Consumption	72.06	79.84	89.89	97.72	97.72	97.72	6.7%	104.29	107.74	113.12
Sanitation	91.20	102.60	116.00	124.80	124.80	124.80	8.0%	134.80	137.59	144.47
Refuse removal	61.16	69.11	78.09	90.89	90.89	90.89	8.0%	98.16	105.55	113.99
Other	–	–	–	–	–	–	–	–	–	–
sub-total	810.58	891.61	988.45	1 146.35	1 146.35	1 146.35	10.0%	1 261.22	1 359.23	1 472.36
VAT on Services	83.60	91.21	100.25	124.05	124.05	124.05		135.77	144.62	154.99
Total small household bill:	894.18	982.82	1 088.70	1 270.40	1 270.40	1 270.40	10.0%	1 396.99	1 503.85	1 627.35
% increase/-decrease		9.9%	10.8%	16.7%	4.0%	4.0%		10.0%	7.6%	8.2%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>										
Rates and services charges:										
Property rates	99.00	111.38	126.38	101.97	101.97	101.97	12.0%	114.16	127.81	143.10
Electricity: Consumption	7.26	7.66	8.20	8.79	8.79	8.79	10.7%	9.35	9.94	10.57
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	–	–	–	–	–	–	–	–	–	–
Sanitation	91.20	102.60	116.00	124.80	124.80	124.80	8.0%	134.80	145.58	157.23
Refuse removal	61.16	69.11	78.09	90.49	90.49	90.49	8.0%	97.73	105.55	113.99
Other	–	–	–	–	–	–	–	–	–	–
sub-total	258.62	290.75	328.67	326.05	326.05	326.05	9.2%	356.04	388.88	424.89
VAT on Services	22.35	25.11	28.32	31.37	31.37	31.37		33.86	36.55	39.45
Total small household bill:	280.97	315.86	356.99	357.42	357.42	357.42	9.1%	389.90	425.43	464.34
% increase/-decrease		12.4%	13.0%	0.1%	(0.4%)	(0.4%)		9.1%	9.1%	9.1%

## 1.5 Operating Expenditure Framework

The City's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan. The weakness here however is that there is no Municipal wide asset repairs and maintenance plan. Repairs and Maintenance is done in silo's hence it lacks in synergistic benefit;
- The Budget makes a marginal surplus (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA;
- An attempt to align the capital programme to the asset renewal strategy and backlog eradication is made in this budget, however lacks in not been driven by a municipal wide asset refurbishment and replacement plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of "*no project plan no budget*". If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

**Table 13 Summary of operating expenditure by standard classification item**

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure By Type</b>									
Employee related costs	361 199	395 706	437 126	508 764	499 490	499 490	583 141	623 840	670 647
Remuneration of councillors	14 587	15 863	17 148	21 529	21 529	21 529	23 176	24 799	26 660
Debt impairment	2 310	3 000	3 647	2 075	2 075	2 075	3 050	3 264	3 508
Depreciation & asset impairment	79 050	78 242	108 389	145 218	145 218	145 218	182 390	207 970	239 935
Finance charges	88 508	82 481	79 985	75 538	73 038	73 038	77 614	78 455	76 574
Bulk purchases	649 531	834 060	937 247	928 881	1 057 967	1 057 967	1 096 502	1 184 766	1 280 238
Other materials	50 407	43 312	21 145	24 033	26 943	26 943	34 702	37 158	39 973
Contracted services	87 889	100 102	136 837	129 661	147 463	147 463	159 669	170 707	183 021
Transfers and grants	6 349	5 543	7 178	9 904	10 216	10 216	13 749	14 705	15 800
Other expenditure	82 228	79 886	105 977	143 811	189 860	189 860	189 254	189 533	203 094
Loss on disposal of PPE	–	–	470	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>1 422 058</b>	<b>1 638 195</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>

The budgeted allocation for **employee related costs** for the 2014/15 financial year totals R583 million, which equals 24,6 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2014/15 financial year. An annual increase of 7 and 7.5 per cent has been included in the two outer years of the MTREF.

The challenge with the organizational structure is that it is designed for that of an aspirant metro and hence has many vacancies (R104m worth) which cannot be filled as there is no corresponding increase in the economy i.e. in the tax base. Consequently the associated risk is that there may be many organizational and municipal service delivery activities, which pre-structuring were performed by one official and with the current vacuum of vacancies some of those functions may now not be performed.

A further risk in the current situation is the possibility of the Municipality not been able to attract and retain fully qualified and experienced personnel, hence the escalation in contracted services

from R147m in 2013/14 to R160 in 2014/15. If one adds both contracted services and employee related costs together, this figure amounts to 31% of the operating budget, which although with the 33% norm for local government, does indicate a lack of skills within the Administration and a tendency to outsource.

One of the solutions here may appear contradictory on “face value”, but will no doubt have the long term desired effect and that is of Municipal Grading for the administration. The correct grading will result in higher salaries for middle to senior management staff, but in the medium to long term will result in the employment and retention of suitably qualified and experienced personnel.

The cost associated with the **remuneration of councillors** is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City’s budget.

**The provision of debt impairment** was determined based on an annual collection rate of 98 per cent and the Debt Write-off Policy of the City. For the 2013/14 financial year this amount equates to R2,075 million and escalates to R3,050 million by 2014/15. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality’s realistically anticipated revenues.

**Provision for depreciation and asset impairment** has been informed by the Municipality’s Financial Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R182 million for the 2014/15 financial and equates to 7,7 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. An associated risk however is that an Accounting Standards Board directive, Directive 7, was used to bring on R7 billion rand’s worth of assets in the 2010/11 financial year. The risk here is that R100 million worth of depreciation on these assets is not brought into the expenditure as it is treated offset or depreciation on revalued assets. An opinion from the ASB is currently being sought as to how to treat this depreciation more appropriately.

**Finance charges** consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up 10 per cent (R218 million) of operating expenditure excluding annual redemption but including depreciation for 2013/14 and increases to R268 million, 11 percent of operating expenditure for 2014/15. The actual interest and redemption of borrowings which is a true reflection of finance costs, even though not reflected as such in the budget, is R179 million for R2013/14 and R200million for 2014/15 or 8% of operating expenditure for both years respectively. It is very good to see that the 8% finance cost remains a constant for the outer years as well. The City has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it is kept close to 8 per cent over the MTREF.

**Bulk purchases** are directly informed by the purchase of electricity from Eskom and water from Mhlathuze Water Board. The annual price increases have been factored into the budget appropriations are 9 per cent for water and 8 per cent for electricity. Of the R1 096 million total electricity comprises R1 006 and water R90 million. The expenditures includes distribution losses.

**Other materials** comprises the purchase, of materials for maintenance. In line with the City’s repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the City’s infrastructure. An overall 29 % increase was made for materials costs

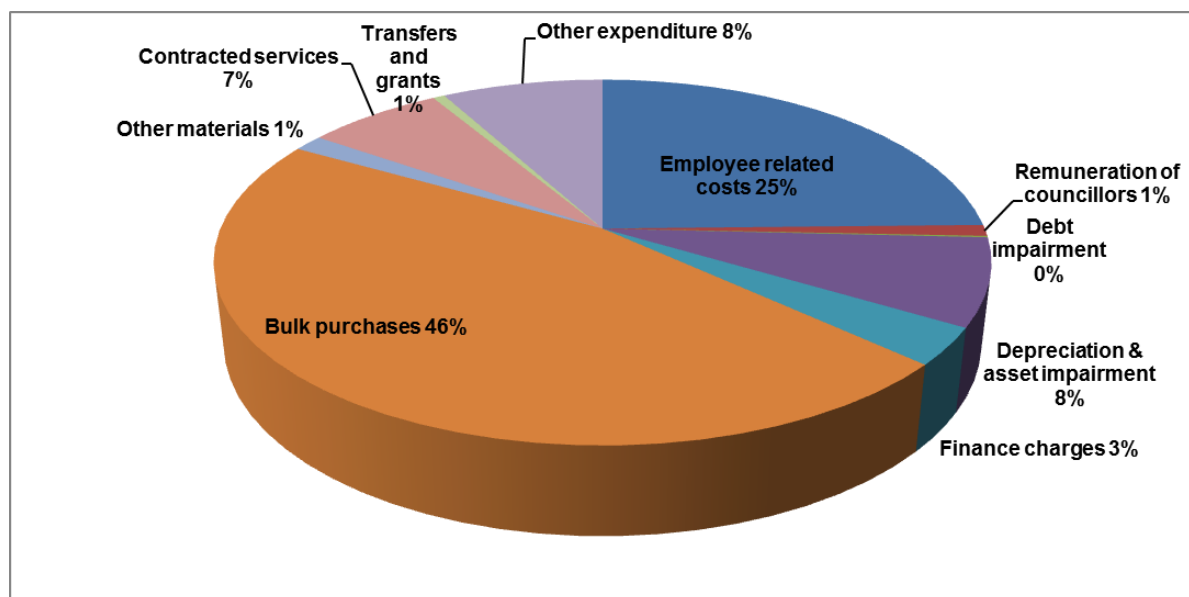
in the Repairs and Maintenance votes for 2014/15. The appropriation against this group of expenditure has grown, however further effort will be made in the outer years to increase this appropriation over and above the inflationary boundaries. It needs to be noted that this line item excludes Fuel & Oil (R 16,5 million), Consumables (R 1,3m) and Small Tools & Materials (R 0.7m)

**Contracted Services** has increased by 9% and needs to be looked at critically, but in conjunction with Employee Related Costs. There is a direct relationship between the efficiency and effectiveness of personnel versus that of the private sector, with the common fact between both sectors lying with level of management of resources they have at their disposal. A council resolution has been factored into this report so as to elicit the Administration to put forward proposals on improving the capacity with the Municipality and reduce its dependency on Contracted Services. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

**Other expenditure** comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. No growth has been allowed here for the 2014/15 and 2015/16 year with a 7% allowed in the 2016/17 year.

Further details relating to contracted services can be seen in Table 67 MBRR SA1 (see page 140 to 143).

The following figure gives a breakdown of the main expenditure categories for the 2014/15 financial year.



**Figure 1 Main operational expenditure categories for the 2014/15 financial year**

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 14 Operational repairs and maintenance**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Repairs and Maintenance by Expenditure Item</b>									
Employee related costs	146 334	153 900	193 041	235 450	234 828	234 828	252 353	269 246	288 321
Other materials	50 407	43 312	21 145	24 033	26 943	26 943	34 702	37 158	39 973
Contracted Services	5 152	19 319	44 293	33 687	42 087	42 087	57 725	61 628	65 792
<b>Total Repairs and Maintenance Expenditure</b>	<b>201 893</b>	<b>216 531</b>	<b>258 480</b>	<b>293 170</b>	<b>303 858</b>	<b>303 858</b>	<b>344 780</b>	<b>368 032</b>	<b>394 086</b>

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by 13,5 per cent in the 2014/15 financial year, from R 304 million to R 345 million. In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **14,6; 14,5 and 14,4 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **8,1; 8,6 and 9 per cent** of the respective financial years MTREF

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 15 Repairs and maintenance per asset class**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>139 427</b>	<b>145 192</b>	<b>177 319</b>	<b>205 060</b>	<b>215 991</b>	<b>215 991</b>	<b>240 963</b>	<b>257 526</b>	<b>275 816</b>
Infrastructure - Road transport	41 550	41 967	58 242	71 075	75 576	75 576	88 799	94 952	101 974
Infrastructure - Electricity	35 920	39 211	42 715	60 251	60 715	60 715	66 048	70 572	75 487
Infrastructure - Water	36 286	39 004	46 869	45 078	48 213	48 213	51 156	54 599	58 343
Infrastructure - Sanitation	24 401	23 588	25 976	27 459	30 223	30 223	33 744	36 098	38 606
Infrastructure - Other	1 270	1 421	3 517	1 197	1 265	1 265	1 216	1 305	1 406
<b>Community</b>	<b>38 022</b>	<b>43 195</b>	<b>50 821</b>	<b>53 633</b>	<b>53 749</b>	<b>53 749</b>	<b>60 930</b>	<b>65 865</b>	<b>69 694</b>
<b>Other assets</b>	<b>24 444</b>	<b>28 144</b>	<b>30 340</b>	<b>34 477</b>	<b>34 118</b>	<b>34 068</b>	<b>42 888</b>	<b>44 641</b>	<b>48 576</b>
<b>Total Repairs and Maintenance Expenditure</b>	<b>201 893</b>	<b>216 531</b>	<b>258 480</b>	<b>293 170</b>	<b>303 858</b>	<b>303 808</b>	<b>344 780</b>	<b>368 032</b>	<b>394 086</b>
<b>R&amp;M as a % of PPE</b>	<b>4.5%</b>	<b>5.0%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>6.8%</b>	<b>6.8%</b>	<b>8.1%</b>	<b>8.6%</b>	<b>9.0%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>14.2%</b>	<b>13.2%</b>	<b>13.9%</b>	<b>14.7%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.6%</b>	<b>14.5%</b>	<b>14.4%</b>

For the 2014/15 financial year, 70 per cent or R241 million of total repairs and maintenance will be spent on infrastructure assets. Road Transport infrastructure has received a significant proportion of this allocation totalling 26 per cent (R89 million), followed by electricity infrastructure at 19 per cent (R66 million), water at 15 per cent (R51 million) and sanitation at 10 per cent (R34

million). Community assets has been allocated R61 million of total repairs and maintenance equating to 18 per cent.

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are indigent and poor or face other circumstances that limit their ability to pay for services.

The existing relief measures employed for our indigent and poor, handicapped and pension consumer relief are as follows:

- 50 KWH (units) of electricity free for applicants whose usage of electricity amounts to an average of no more than 1 800 units per annum.
- Free water for consumers that consume 200 Liters and less per day for a month or the first 6 000 litres of water per month.
- When a consumer use **more** than the 200 Liters per day for a month then they **pay for all water consumed**
- Free rates if property value is less than R110 000.
- Free refuse charge if property is valued less than R100 000.
- Free sewer charge if property is valued less than R100 000.
- All rural communities have strategically placed refuse skips wherein refuse can be placed free of charge.
- By implication the very nature of property valuation allows rates payable by communities living in less formal area to be minimal.
- Targeted indigent support for very poor and child run households.

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 31 MBRR A10 (Basic Service Delivery Measurement) on page 63.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act together with the tiered tariff approach.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 16 2014/15 Medium-term capital budget per vote**

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>2 955</b>	<b>18 909</b>	<b>22 235</b>	<b>42 153</b>	<b>45 879</b>	<b>45 179</b>	<b>30 519</b>	<b>54 236</b>	<b>70 933</b>
Executive and council	20	–	–	375	450	450	88	88	150
Budget and treasury office	152	269	195	4 751	104	104	5 464	1 207	3 054
Corporate services	2 784	18 640	22 040	37 027	45 325	44 625	24 967	52 941	67 729
<b>Community and public safety</b>	<b>2 952</b>	<b>2 216</b>	<b>15 937</b>	<b>61 156</b>	<b>93 638</b>	<b>93 880</b>	<b>42 497</b>	<b>41 342</b>	<b>57 145</b>
Community and social services	3 191	593	4 470	16 572	19 444	19 493	16 440	13 289	14 958
Sport and recreation	923	895	2 276	24 693	27 369	27 469	7 230	12 742	30 298
Public safety	20	89	2 920	13 697	14 742	14 742	16 239	12 700	11 282
Housing	(1 181)	623	6 046	–	26 244	26 244	–	–	–
Health	–	17	225	6 193	5 838	5 932	2 588	2 611	608
<b>Economic and environmental services</b>	<b>8 760</b>	<b>2 509</b>	<b>7 247</b>	<b>37 935</b>	<b>29 117</b>	<b>29 623</b>	<b>10 519</b>	<b>10 409</b>	<b>15 227</b>
Planning and development	191	271	219	156	112	112	268	270	343
Road transport	8 569	2 237	7 028	37 780	29 005	29 511	10 251	10 139	14 884
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	<b>71 509</b>	<b>55 100</b>	<b>67 359</b>	<b>197 470</b>	<b>299 257</b>	<b>299 302</b>	<b>175 903</b>	<b>202 817</b>	<b>177 567</b>
Electricity	17 019	8 277	15 544	58 818	81 306	81 351	24 719	23 493	23 875
Water	16 489	4 747	15 048	55 372	153 668	140 393	77 991	92 661	61 828
Waste water management	38 001	42 023	36 584	72 259	58 079	71 354	69 415	82 262	88 364
Waste management	–	53	183	11 021	6 203	6 203	3 778	4 400	3 500
<b>Other</b>	<b>–</b>	<b>8 309</b>	<b>2 258</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Standard</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>
<b>Funded by:</b>									
National Government	43 927	39 679	40 345	83 697	194 730	194 730	119 456	157 879	122 907
Provincial Government	1 964	9 452	11 087	10 000	47 922	47 922	–	–	–
District Municipality	19	–	97	–	–	–	–	–	–
Other transfers and grants	808	7	131	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>46 719</b>	<b>49 138</b>	<b>51 659</b>	<b>93 697</b>	<b>242 652</b>	<b>242 652</b>	<b>119 456</b>	<b>157 879</b>	<b>122 907</b>
<b>Public contributions &amp; donations</b>	<b>4 393</b>	<b>3 165</b>	<b>4 531</b>	<b>16 237</b>	<b>16 237</b>	<b>16 237</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowing</b>	<b>17 195</b>	<b>22 907</b>	<b>33 829</b>	<b>136 119</b>	<b>122 772</b>	<b>125 022</b>	<b>85 500</b>	<b>90 000</b>	<b>125 000</b>
<b>Internally generated funds</b>	<b>17 869</b>	<b>11 833</b>	<b>25 017</b>	<b>92 661</b>	<b>86 229</b>	<b>84 072</b>	<b>54 482</b>	<b>61 000</b>	<b>73 000</b>
<b>Total Capital Funding</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 879</b>	<b>320 907</b>

For 2014/15 an amount of R187 million has been appropriated for the development of infrastructure which represents 72 per cent of the total capital budget. In the outer years this amount totals R213 million, 69 per cent and R 192 million, 60 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R77,2 million in 2014/15 which equates to 41 per cent followed by waste water infrastructure at 37 per cent, R68,5 million, electricity infrastructure at 29,5 per cent and then waste at 5 per cent, R9 million.

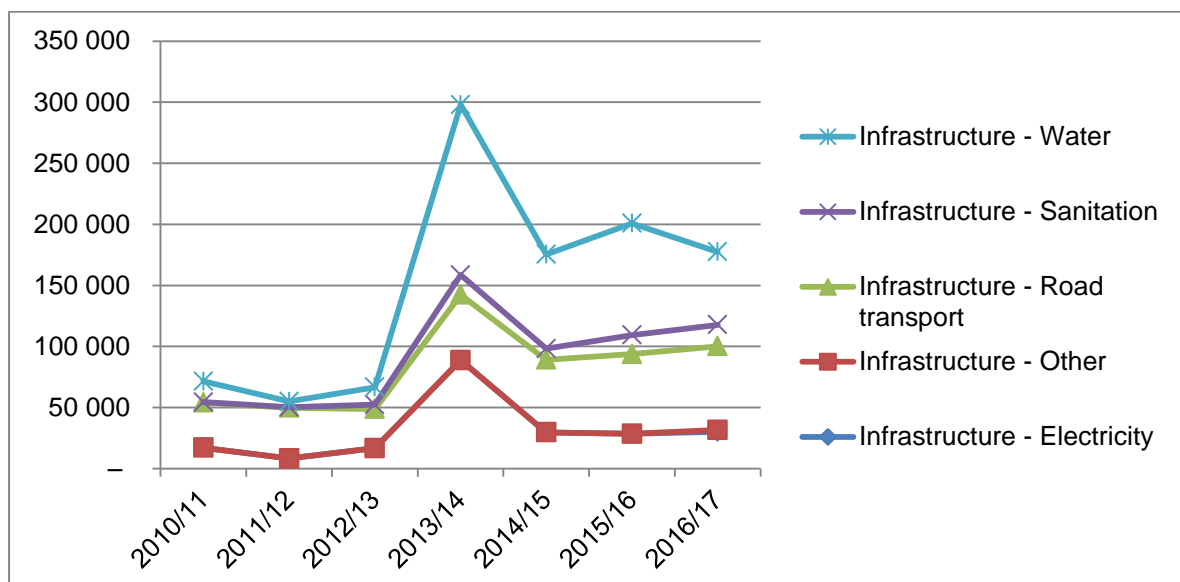
Total new assets represent 58 per cent or R151,6 million of the total capital budget while asset renewal equates to 42 per cent or R 107 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 30 MBRR A9 (Asset Management) on page 61. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c and d provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 115, 116 and 117). Some of the salient projects to be undertaken over the 2014/15 MTREF includes, amongst others:

- Rural Sanitation – R 59 million;
- Water – Rural/Semi-Urban – R29 million;
- Construction of reservoir Empangeni (Hilltop) – R 23,2 million
- Rural Household Infrastructure Grant – R 4,5 million;
- Upgrade of Empangeni Sewer – R 3,8 million
- Municipal Water Infrastructure Grant Projects – R 18,8 million;

- eSikhaleni Fire Station – R 9,5 million;
- Aquadene Library – R 4,5 million;
- IT Equipment – R 7,9 million;
- Civic Hall (Planning) – R 3 million;
- Renovations – Offices (Financial Services ) – R 4,9 million;
- Cygnus MV Switchgear – R 14 million;
- Dumisani Makhaye Electrification – R 4,2 million;
- Mzingazi Electrification – R 2,6 million;
- Mandlazini Electrification – R 1,3 million;
- John Ross/Empangeni Main Road – Street lighting – R 2,2 million;
- Refuse Trucks – R 4 million;
- Replacement of vehicles and plant – R 7,8 million;
- Water Tankers – R 1,5 million; and
- Tanner Road rehabilitation – R 5 million;

Furthermore pages 120 to 137 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



**Figure 2 Capital Infrastructure Programme**

## 1.7 Annual Budget Tables

The following pages present the ten **main** budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the following page.



Table 17 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	178 078	204 614	238 007	275 000	280 000	280 000	314 000	345 400	379 940
Service charges	1 003 276	1 225 242	1 388 278	1 452 116	1 607 469	1 607 469	1 742 161	1 883 362	2 036 027
Investment revenue	2 565	4 012	14 499	4 152	10 100	10 100	10 605	11 135	11 692
Transfers recognised - operational	157 427	183 050	202 114	219 635	236 994	236 994	260 509	272 068	287 010
Other own revenue	49 661	47 517	146 098	46 853	44 290	44 290	43 284	46 286	49 507
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 391 008</b>	<b>1 664 435</b>	<b>1 988 995</b>	<b>1 997 756</b>	<b>2 178 852</b>	<b>2 178 852</b>	<b>2 370 559</b>	<b>2 558 251</b>	<b>2 764 176</b>
Employee costs	361 199	395 706	437 126	508 764	499 490	499 490	583 141	623 840	670 647
Remuneration of councillors	14 587	15 863	17 148	21 529	21 529	21 529	23 176	24 799	26 660
Depreciation & asset impairment	79 050	78 242	108 389	145 218	145 218	145 218	182 390	207 970	239 935
Finance charges	88 508	82 481	79 985	75 538	73 038	73 038	77 614	78 455	76 574
Materials and bulk purchases	699 938	877 372	958 392	952 914	1 084 910	1 084 910	1 131 205	1 221 924	1 320 211
Transfers and grants	6 349	5 543	7 178	9 904	10 216	10 216	13 749	14 705	15 800
Other expenditure	172 427	182 988	246 931	275 547	339 398	339 398	351 973	363 504	389 624
<b>Total Expenditure</b>	<b>1 422 058</b>	<b>1 638 196</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit)</b>	<b>(31 050)</b>	<b>26 239</b>	<b>133 847</b>	<b>8 342</b>	<b>5 054</b>	<b>5 054</b>	<b>7 311</b>	<b>23 055</b>	<b>24 726</b>
Transfers recognised - capital	46 719	49 138	51 659	93 697	242 652	242 652	119 456	157 879	122 907
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>
Transfers recognised - capital	46 719	49 138	51 659	93 697	242 652	242 652	119 456	157 879	122 907
Public contributions & donations	4 393	3 165	4 531	16 237	16 237	16 237	-	-	-
Borrowing	17 195	22 907	33 829	136 119	122 772	125 022	85 500	90 000	125 000
Internally generated funds	17 869	11 833	25 017	92 661	86 229	84 072	54 482	61 000	73 000
<b>Total sources of capital funds</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 879</b>	<b>320 907</b>
<b>Financial position</b>									
Total current assets	269 200	439 226	599 972	606 201	717 834	717 834	708 539	820 666	942 568
Total non current assets	4 604 292	4 489 526	4 250 366	4 511 594	4 622 046	4 622 046	4 374 919	4 431 173	4 535 129
Total current liabilities	361 282	439 207	533 399	540 546	541 129	541 129	574 408	599 645	622 768
Total non current liabilities	939 628	950 854	829 668	952 454	957 364	957 364	935 768	913 443	923 794
Community wealth/Equity	3 572 582	3 538 691	3 487 271	3 624 795	3 841 388	3 841 388	3 573 283	3 738 751	3 931 135
<b>Cash flows</b>									
Net cash from (used) operating	114 631	193 014	286 612	231 995	406 782	408 671	324 461	405 338	405 300
Net cash from (used) investing	(66 052)	(155 156)	(119 614)	(227 742)	(305 248)	(305 304)	(324 248)	(284 047)	(307 298)
Net cash from (used) financing	(69 262)	(203)	(75 318)	(9 092)	(9 092)	(9 092)	(37 438)	(38 273)	(6 617)
<b>Cash/cash equivalents at the year end</b>	<b>39 559</b>	<b>77 214</b>	<b>168 894</b>	<b>275 557</b>	<b>372 838</b>	<b>374 671</b>	<b>337 446</b>	<b>420 464</b>	<b>511 849</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	39 559	157 214	242 775	309 208	372 838	372 838	337 446	420 464	511 849
Application of cash and investments	92 660	86 546	98 580	233 917	267 184	267 184	220 903	219 848	225 792
<b>Balance - surplus (shortfall)</b>	<b>(53 101)</b>	<b>70 668</b>	<b>144 196</b>	<b>75 291</b>	<b>105 654</b>	<b>105 654</b>	<b>116 543</b>	<b>200 616</b>	<b>286 057</b>
<b>Asset management</b>									
Asset register summary (WDV)	4 603 784	4 489 080	4 250 009	4 511 202	4 621 654	4 621 654	4 374 753	4 430 998	4 534 944
Depreciation & asset impairment	79 050	78 242	108 389	145 218	145 218	145 218	182 390	207 970	239 935
Renewal of Existing Assets	82	25 187	62 189	176 149	177 397	177 498	107 831	168 161	180 728
Repairs and Maintenance	201 893	216 531	258 480	293 170	303 858	303 858	344 780	368 032	394 086
<b>Free services</b>									
Cost of Free Basic Services provided	7 791	-	61 883	78 995	78 995	78 995	80 445	82 169	82 169
Revenue cost of free services provided	7 791	-	9 658	25 610	25 610	25 610	25 944	26 129	26 129
<b>Households below minimum service level</b>									
Water:	3	3	14	10	10	10	8	8	8
Sanitation/sewerage:	30	26	21	21	21	21	21	21	21
Energy:	-	-	67	71	71	71	76	76	76
Refuse:	11	-	26	24	24	24	22	20	20

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality has been paying much attention to managing this aspect of its finances, and consequently many of its obligations are now cash-backed. This places the municipality in a very positive financial position. To strengthen this favourable position, Council has adopted an Investment, Working Capital and Capital Replacement Reserves Policy.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase however it needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	<b>203 001</b>	<b>247 502</b>	<b>300 755</b>	<b>299 327</b>	<b>314 519</b>	<b>314 519</b>	<b>344 317</b>	<b>378 500</b>	<b>414 807</b>
Executive and council	–	268	228	105	565	565	165	177	189
Budget and treasury office	193 192	220 449	280 077	289 313	302 370	302 370	335 480	368 074	403 904
Corporate services	9 810	26 785	20 451	9 909	11 584	11 584	8 671	10 249	10 715
<i><b>Community and public safety</b></i>	<b>20 783</b>	<b>27 660</b>	<b>43 182</b>	<b>39 190</b>	<b>86 025</b>	<b>86 025</b>	<b>42 195</b>	<b>40 805</b>	<b>42 217</b>
Community and social services	3 650	6 226	6 270	11 858	16 708	16 708	9 765	10 368	11 182
Sport and recreation	4 141	4 390	6 026	9 844	12 395	12 395	2 311	2 472	2 644
Public safety	3 638	4 971	12 600	11 600	10 644	10 644	9 727	10 407	11 134
Housing	3 499	2 909	9 042	1 020	34 524	34 524	8 226	4 954	4 187
Health	5 854	9 164	9 244	4 868	11 753	11 753	12 166	12 605	13 070
<i><b>Economic and environmental services</b></i>	<b>9 801</b>	<b>11 430</b>	<b>13 613</b>	<b>12 301</b>	<b>12 098</b>	<b>12 098</b>	<b>12 295</b>	<b>12 343</b>	<b>13 213</b>
Planning and development	2 058	1 981	2 439	2 327	1 563	1 563	1 412	1 510	1 616
Road transport	7 743	9 449	11 174	9 974	10 535	10 535	10 884	10 832	11 597
Environmental protection	–	–	–	–	–	–	–	–	–
<i><b>Trading services</b></i>	<b>1 203 703</b>	<b>1 418 129</b>	<b>1 680 349</b>	<b>1 740 185</b>	<b>2 008 414</b>	<b>2 008 414</b>	<b>2 090 766</b>	<b>2 284 010</b>	<b>2 416 340</b>
Electricity	778 980	970 954	1 133 941	1 148 613	1 323 195	1 323 195	1 400 658	1 514 492	1 633 643
Water	267 328	256 843	333 876	346 132	439 563	439 563	357 476	408 616	397 778
Waste water management	104 913	129 010	143 179	158 922	157 812	157 812	229 357	248 029	263 845
Waste management	52 482	61 322	69 353	86 518	87 843	87 843	103 275	112 873	121 074
<i><b>Other</b></i>	<b>439</b>	<b>8 851</b>	<b>2 755</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>441</b>	<b>472</b>	<b>505</b>
<b>Total Revenue - Standard</b>	<b>1 437 727</b>	<b>1 713 573</b>	<b>2 040 655</b>	<b>2 091 454</b>	<b>2 421 505</b>	<b>2 421 505</b>	<b>2 490 015</b>	<b>2 716 129</b>	<b>2 887 082</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	<b>(24 731)</b>	<b>(24 001)</b>	<b>45 809</b>	<b>74 787</b>	<b>71 176</b>	<b>71 176</b>	<b>62 069</b>	<b>62 101</b>	<b>63 959</b>
Executive and council	8 632	12 289	19 514	1 233	1 266	1 266	414	435	465
Budget and treasury office	(65 749)	(78 876)	(15 330)	4 501	7 056	7 056	1 349	1 439	1 542
Corporate services	32 386	42 586	41 625	69 053	62 854	62 854	60 306	60 227	61 952
<i><b>Community and public safety</b></i>	<b>194 815</b>	<b>205 216</b>	<b>242 388</b>	<b>288 179</b>	<b>294 246</b>	<b>294 246</b>	<b>328 527</b>	<b>347 160</b>	<b>366 326</b>
Community and social services	31 467	30 539	35 715	47 693	47 599	47 599	49 705	49 904	50 668
Sport and recreation	69 225	75 708	90 024	103 988	102 965	102 965	117 104	124 967	131 793
Public safety	71 697	74 892	86 315	101 830	102 733	102 733	113 528	121 241	129 459
Housing	2 777	3 780	7 607	6 514	10 281	10 281	15 313	16 160	17 084
Health	19 649	20 296	22 727	28 155	30 668	30 668	32 878	34 888	37 322
<i><b>Economic and environmental services</b></i>	<b>115 683</b>	<b>109 725</b>	<b>147 279</b>	<b>187 528</b>	<b>199 983</b>	<b>199 983</b>	<b>210 139</b>	<b>234 346</b>	<b>266 014</b>
Planning and development	17 118	18 824	27 512	36 649	32 781	32 781	38 151	38 424	41 117
Road transport	91 473	82 201	108 939	139 745	154 661	154 661	156 144	178 122	206 317
Environmental protection	7 091	8 701	10 827	11 134	12 542	12 542	15 843	17 799	18 580
<i><b>Trading services</b></i>	<b>1 136 274</b>	<b>1 347 183</b>	<b>1 419 403</b>	<b>1 438 578</b>	<b>1 608 049</b>	<b>1 608 049</b>	<b>1 761 610</b>	<b>1 890 680</b>	<b>2 042 211</b>
Electricity	757 688	943 872	954 591	934 741	1 064 134	1 064 134	1 204 958	1 295 418	1 392 869
Water	227 621	280 843	282 283	303 542	322 039	322 039	322 351	339 589	370 897
Waste water management	83 120	47 579	100 211	116 205	128 406	128 406	137 708	152 480	168 301
Waste management	67 844	74 889	82 319	84 091	93 470	93 470	96 593	103 194	110 143
<i><b>Other</b></i>	<b>18</b>	<b>72</b>	<b>269</b>	<b>342</b>	<b>344</b>	<b>344</b>	<b>903</b>	<b>909</b>	<b>940</b>
<b>Total Expenditure - Standard</b>	<b>1 422 058</b>	<b>1 638 196</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. **Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.**
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure. However, if the capital revenues (Transfers recognised – capital) is removed from the calculation of the surpluses for each trading service, water service is running at an R 31m deficit.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

**Table 19 MBRR Table A2A - Budgeted Financial Performance (revenue and expenditure by standard classification - Detail)**

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<b>Municipal governance and administration</b>	<b>203 001</b>	<b>247 502</b>	<b>300 755</b>	<b>299 327</b>	<b>314 519</b>	<b>314 519</b>	<b>344 317</b>	<b>378 500</b>	<b>414 807</b>
Executive and council	–	268	228	105	565	565	165	177	189
Mayor and Council	–	268	228	105	565	565	165	177	189
Budget and treasury office	193 192	220 449	280 077	289 313	302 370	302 370	335 480	368 074	403 904
Corporate services	9 810	26 785	20 451	9 909	11 584	11 584	8 671	10 249	10 715
Human Resources	966	2 077	1 755	1 006	806	806	346	370	396
Information Technology	362	(99)	947	731	1 077	1 077	1 426	2 011	2 026
Property Services	5 673	19 483	13 548	4 700	5 396	5 396	2 728	3 410	3 529
Other Admin	2 808	5 324	4 200	3 472	4 305	4 305	4 171	4 457	4 764
<b>Community and public safety</b>	<b>20 783</b>	<b>27 660</b>	<b>43 182</b>	<b>39 190</b>	<b>86 025</b>	<b>86 025</b>	<b>42 195</b>	<b>40 805</b>	<b>42 217</b>
Community and social services	<b>3 650</b>	<b>6 226</b>	<b>6 270</b>	<b>11 858</b>	<b>16 708</b>	<b>16 708</b>	<b>9 765</b>	<b>10 368</b>	<b>11 182</b>
Libraries and Archives	1 006	3 713	3 619	6 865	6 855	6 855	7 055	7 478	8 098
Museums & Art Galleries etc	95	127	136	150	150	150	307	323	340
Community halls and Facilities	2 104	1 962	2 079	4 330	9 220	9 220	1 896	2 026	2 164
Cemeteries & Crematoriums	445	425	436	512	482	482	507	542	580
Sport and recreation	4 141	4 390	6 026	9 844	12 395	12 395	2 311	2 472	2 644
Public safety	<b>3 638</b>	<b>4 971</b>	<b>12 600</b>	<b>11 600</b>	<b>10 644</b>	<b>10 644</b>	<b>9 727</b>	<b>10 407</b>	<b>11 134</b>
Police	2 938	3 822	11 136	10 726	9 746	9 746	9 146	9 786	10 470
Fire	692	1 149	1 464	875	899	899	581	621	664
Other	8	–	–	–	–	–	–	–	–
Housing	<b>3 499</b>	<b>2 909</b>	<b>9 042</b>	<b>1 020</b>	<b>34 524</b>	<b>34 524</b>	<b>8 226</b>	<b>4 954</b>	<b>4 187</b>
Health	<b>5 854</b>	<b>9 164</b>	<b>9 244</b>	<b>4 868</b>	<b>11 753</b>	<b>11 753</b>	<b>12 166</b>	<b>12 605</b>	<b>13 070</b>
Clinics	4 529	4 819	4 842	5	6 883	6 883	7 296	7 733	8 197
Ambulance	–	–	–	–	–	–	–	–	–
Other	1 326	4 345	4 401	4 863	4 871	4 871	4 871	4 872	4 873
<b>Economic and environmental services</b>	<b>9 801</b>	<b>11 430</b>	<b>13 613</b>	<b>12 301</b>	<b>12 098</b>	<b>12 098</b>	<b>12 295</b>	<b>12 343</b>	<b>13 213</b>
Planning and development	<b>2 058</b>	<b>1 981</b>	<b>2 439</b>	<b>2 327</b>	<b>1 563</b>	<b>1 563</b>	<b>1 412</b>	<b>1 510</b>	<b>1 616</b>
Economic Development/Planning	2 058	1 981	2 439	2 327	1 563	1 563	1 412	1 510	1 616
Road transport	<b>7 743</b>	<b>9 449</b>	<b>11 174</b>	<b>9 974</b>	<b>10 535</b>	<b>10 535</b>	<b>10 884</b>	<b>10 832</b>	<b>11 597</b>
Roads	29	–	1 255	665	665	665	826	71	75
Vehicle Licensing and Testing	7 714	9 449	9 919	9 309	9 870	9 870	10 057	10 761	11 523

**Table A2A - Budgeted Financial Performance (revenue and expenditure by standard classification - Detail) – (Continued)**

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Revenue - Standard</b>									
<b>Trading services</b>	<b>1 203 703</b>	<b>1 418 129</b>	<b>1 680 349</b>	<b>1 740 185</b>	<b>2 008 414</b>	<b>2 008 414</b>	<b>2 090 766</b>	<b>2 284 010</b>	<b>2 416 340</b>
Electricity	778 980	970 954	1 133 941	1 148 613	1 323 195	1 323 195	1 400 658	1 514 492	1 633 643
<i>Electricity Distribution</i>	778 980	970 954	1 133 941	1 148 613	1 323 195	1 323 195	1 400 658	1 514 492	1 633 643
<i>Electricity Generation</i>	–	–	–	–	–	–	–	–	–
Water	267 328	256 843	333 876	346 132	439 563	439 563	357 476	408 616	397 778
<i>Water Distribution</i>	267 328	256 843	333 876	346 132	439 563	439 563	357 476	408 616	397 778
<i>Water Storage</i>	–	–	–	–	–	–	–	–	–
Waste water management	104 913	129 010	143 179	158 922	157 812	157 812	229 357	248 029	263 845
<i>Sewerage</i>	104 913	129 010	143 179	158 922	157 812	157 812	229 357	248 029	263 845
Waste management	52 482	61 322	69 353	86 518	87 843	87 843	103 275	112 873	121 074
<i>Solid Waste</i>	52 482	61 322	69 353	86 518	87 843	87 843	103 275	112 873	121 074
<b>Other</b>	<b>439</b>	<b>8 851</b>	<b>2 755</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>441</b>	<b>472</b>	<b>505</b>
Air Transport	439	8 851	2 755	450	450	450	441	472	505
<b>Total Revenue - Standard</b>	<b>1 437 727</b>	<b>1 713 573</b>	<b>2 040 655</b>	<b>2 091 454</b>	<b>2 421 505</b>	<b>2 421 505</b>	<b>2 490 015</b>	<b>2 716 129</b>	<b>2 887 082</b>
<b>Expenditure - Standard</b>									
<b>Municipal governance and administration</b>	<b>(24 731)</b>	<b>(24 001)</b>	<b>45 809</b>	<b>74 787</b>	<b>71 176</b>	<b>71 176</b>	<b>62 069</b>	<b>62 101</b>	<b>63 959</b>
Executive and council	8 632	12 289	19 514	1 233	1 266	1 266	414	435	465
<i>Mayor and Council</i>	6 585	9 511	15 990	1 233	1 066	1 066	414	435	465
<i>Municipal Manager</i>	2 047	2 778	3 525	–	200	200	–	–	–
Budget and treasury office	(65 749)	(78 876)	(15 330)	4 501	7 056	7 056	1 349	1 439	1 542
Corporate services	32 386	42 586	41 625	69 053	62 854	62 854	60 306	60 227	61 952
<i>Human Resources</i>	2 090	3 131	2 433	4 533	4 900	4 900	4 476	4 751	5 065
<i>Information Technology</i>	355	(100)	947	3 530	4 154	4 154	2 552	2 713	2 899
<i>Property Services</i>	7 270	4 428	5 484	6 708	7 183	7 183	7 754	8 690	9 014
<i>Other Admin</i>	22 671	35 126	32 761	54 282	46 617	46 617	45 524	44 072	44 976
<b>Community and public safety</b>	<b>194 815</b>	<b>205 216</b>	<b>242 388</b>	<b>288 179</b>	<b>294 246</b>	<b>294 246</b>	<b>328 527</b>	<b>347 160</b>	<b>366 326</b>
Community and social services	31 467	30 539	35 715	47 693	47 599	47 599	49 705	49 904	50 668
<i>Libraries and Archives</i>	11 417	11 356	12 954	17 131	17 199	17 199	16 908	17 720	18 942
<i>Museums &amp; Art Galleries etc</i>	1 052	1 127	1 217	1 515	1 414	1 414	1 648	1 759	1 886
<i>Community halls and Facilities</i>	12 858	11 648	15 413	20 665	20 679	20 679	22 800	21 635	20 376
<i>Cemeteries &amp; Crematoriums</i>	6 140	6 408	6 131	8 382	8 307	8 307	8 349	8 791	9 465
Sport and recreation	69 225	75 708	90 024	103 988	102 965	102 965	117 104	124 967	131 793

Standard Classification Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Public safety	71 697	74 892	86 315	101 830	102 733	102 733	113 528	121 241	129 459
<i>Police</i>	25 758	24 182	30 529	35 618	37 368	37 368	40 152	42 856	45 899
<i>Fire</i>	31 492	33 675	36 240	43 898	43 035	43 035	46 223	49 472	52 949
<i>Street Lighting</i>	13 945	16 317	18 807	21 433	21 431	21 431	25 692	27 353	28 933
<i>Other</i>	501	719	739	882	899	899	1 461	1 560	1 677
Housing	2 777	3 780	7 607	6 514	10 281	10 281	15 313	16 160	17 084
Health	19 649	20 296	22 727	28 155	30 668	30 668	32 878	34 888	37 322
<i>Clinics</i>	14 424	15 665	16 800	20 434	22 590	22 590	23 696	25 128	26 895
<i>Other</i>	5 225	4 631	5 928	7 721	8 078	8 078	9 182	9 760	10 426
<b>Economic and environmental services</b>	<b>115 683</b>	<b>109 725</b>	<b>147 279</b>	<b>187 528</b>	<b>199 983</b>	<b>199 983</b>	<b>210 139</b>	<b>234 346</b>	<b>266 014</b>
Planning and development	17 118	18 824	27 512	36 649	32 781	32 781	38 151	38 424	41 117
<i>Economic Development/Planning</i>	17 118	18 824	27 512	36 649	32 781	32 781	38 151	38 424	41 117
Road transport	91 473	82 201	108 939	139 745	154 661	154 661	156 144	178 122	206 317
<i>Roads</i>	85 242	75 038	100 811	130 558	145 509	145 509	146 187	167 514	194 969
<i>Vehicle Licensing and Testing</i>	6 231	7 163	8 128	9 188	9 151	9 151	9 957	10 609	11 349
Environmental protection	7 091	8 701	10 827	11 134	12 542	12 542	15 843	17 799	18 580
<i>Pollution Control</i>	6 086	7 555	9 469	9 797	11 053	11 053	14 500	16 344	17 040
<i>Biodiversity &amp; Landscape</i>	611	706	856	868	872	872	974	1 059	1 114
<i>Other</i>	394	440	501	469	618	618	370	396	426
<b>Trading services</b>	<b>1 136 274</b>	<b>1 347 183</b>	<b>1 419 403</b>	<b>1 438 578</b>	<b>1 608 049</b>	<b>1 608 049</b>	<b>1 761 610</b>	<b>1 890 680</b>	<b>2 042 211</b>
Electricity	757 688	943 872	954 591	934 741	1 064 134	1 064 134	1 204 958	1 295 418	1 392 869
<i>Electricity Distribution</i>	182 701	192 436	108 178	109 640	110 726	110 726	125 844	131 172	136 221
<i>Electricity Generation</i>	574 986	751 435	846 414	825 100	953 409	953 409	1 079 114	1 164 247	1 256 649
Water	227 621	280 843	282 283	303 542	322 039	322 039	322 351	339 589	370 897
<i>Water Distribution</i>	227 621	280 843	282 283	303 542	322 039	322 039	322 351	339 589	370 897
Waste water management	83 120	47 579	100 211	116 205	128 406	128 406	137 708	152 480	168 301
<i>Sewerage</i>	82 036	46 286	98 885	114 546	126 774	126 774	135 996	150 645	166 329
<i>Public Toilets</i>	1 085	1 293	1 326	1 660	1 632	1 632	1 712	1 834	1 973
Waste management	67 844	74 889	82 319	84 091	93 470	93 470	96 593	103 194	110 143
<i>Solid Waste</i>	67 844	74 889	82 319	84 091	93 470	93 470	96 593	103 194	110 143
<i>Other</i>	18	72	269	342	344	344	903	909	940
Air Transport	18	72	269	342	344	344	903	909	940
<b>Total Expenditure - Standard</b>	<b>1 422 058</b>	<b>1 638 196</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>

**Table 20 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>									
Vote 1 - CITY DEVELOPMENT	9 354	22 613	23 352	6 290	39 926	39 926	10 871	8 275	7 620
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	69 688	84 907	101 143	115 300	127 539	127 539	135 231	146 651	156 807
Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	5 688	8 655	10 217	17 372	19 883	19 883	10 179	10 814	11 662
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	4 781	12 741	7 660	4 369	5 442	5 442	5 418	6 280	6 590
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	966	2 077	1 755	1 006	806	806	346	370	396
Vote 6 - FINANCIAL SERVICES	193 790	220 677	280 644	289 738	302 845	302 845	336 236	368 882	404 768
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	778 980	970 954	1 133 941	1 148 613	1 323 195	1 323 195	1 400 658	1 514 492	1 633 643
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES	370 989	383 930	474 242	500 844	592 589	592 589	581 823	652 079	656 927
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	935	1 133	2 263	1 535	1 535	1 535	1 826	1 141	1 220
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	1 328	2 377	2 965	4 514	5 062	5 062	5 288	4 857	5 002
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	1 228	3 509	2 473	1 873	2 685	2 685	2 138	2 288	2 447
<b>Total Revenue by Vote</b>	<b>1 437 727</b>	<b>1 713 573</b>	<b>2 040 655</b>	<b>2 091 454</b>	<b>2 421 505</b>	<b>2 421 505</b>	<b>2 490 015</b>	<b>2 716 129</b>	<b>2 887 082</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - CITY DEVELOPMENT	25 227	25 151	38 758	46 915	47 479	47 479	58 894	60 805	64 577
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	154 941	165 630	185 349	208 110	221 002	221 002	234 194	249 600	266 613
Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	88 447	95 304	111 183	131 884	130 758	130 758	144 983	154 296	163 201
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	26 066	26 610	37 121	28 725	29 219	29 219	27 785	27 240	26 574
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	2 090	3 131	2 433	4 533	4 900	4 900	4 476	4 751	5 065
Vote 6 - FINANCIAL SERVICES	(64 924)	(78 504)	(15 409)	5 315	8 005	8 005	1 493	1 593	1 708
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	771 633	960 189	973 399	956 173	1 085 565	1 085 565	1 230 650	1 322 771	1 421 803
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES	303 205	329 228	383 826	415 268	446 044	446 044	458 129	491 575	538 312
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	81 322	75 899	101 516	131 606	146 558	146 558	147 305	168 700	196 232
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	15 823	18 245	23 617	50 024	43 086	43 086	43 809	41 595	42 277
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	18 231	17 314	13 356	10 861	11 185	11 185	11 530	12 270	13 090
<b>Total Expenditure by Vote</b>	<b>1 422 058</b>	<b>1 638 195</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>



**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the City. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 21 MBRR Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail)**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>									
<b>Vote 1 - CITY DEVELOPMENT</b>	<b>9 354</b>	<b>22 613</b>	<b>23 352</b>	<b>6 290</b>	<b>39 926</b>	<b>39 926</b>	<b>10 871</b>	<b>8 275</b>	<b>7 620</b>
1.1 - CITY DEVELOPMENT (013)	2 058	1 981	2 439	2 327	1 563	1 563	1 412	1 510	1 616
1.2 - TOWNSHIP DEVELOPMENT (045)	3 797	17 724	11 871	2 943	3 838	3 838	1 233	1 811	1 817
1.3 - PIONEER COURT RENTAL SCHEME (015)	167	449	426	-	-	-	-	-	-
1.4 - HOUSING (028)	3 332	2 460	8 617	1 020	34 524	34 524	8 226	4 954	4 187
<b>Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY</b>	<b>69 688</b>	<b>84 907</b>	<b>101 143</b>	<b>115 300</b>	<b>127 539</b>	<b>127 539</b>	<b>135 231</b>	<b>146 651</b>	<b>156 807</b>
2.1 - FIRE BRIGADE (005)	692	1 149	1 464	875	899	899	581	621	664
2.2 - TRAFFIC (006)	2 409	3 440	11 136	10 726	9 746	9 746	9 146	9 786	10 470
2.3 - DISASTER MANAGEMENT (007)	8	-	-	-	-	-	-	-	-
2.4 - HEALTH ADMINISTRATION (008)	1 326	4 345	4 401	4 863	4 871	4 871	4 871	4 872	4 873
2.5 - CLINICS (009)	4 529	4 819	4 842	5	6 883	6 883	7 296	7 733	8 197
2.6 - CRIME PREVENTION (010)	529	381	-	-	-	-	-	-	-
2.7 - LICENCES TRAFFIC (012)	7 714	9 449	9 919	9 309	9 870	9 870	10 057	10 761	11 523
2.8 - COMMUTER FACILITIES (029)	-	-	27	3 005	7 428	7 428	5	6	6
2.9 - STREET CLEANING (032)	30	382	369	5	5	5	5	6	6
2.10 - REFUSE REMOVAL (033)	52 421	60 916	68 973	86 493	87 818	87 818	103 250	112 846	121 046
2.11 - WASTE DISPOSAL (036)	31	24	11	20	20	20	20	21	23
2.12 - PUBLIC CONVENIENCES (037)	-	-	-	-	-	-	-	-	-
<b>Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES</b>	<b>5 688</b>	<b>8 655</b>	<b>10 217</b>	<b>17 372</b>	<b>19 883</b>	<b>19 883</b>	<b>10 179</b>	<b>10 814</b>	<b>11 662</b>
3.1 - CEMETERY (002)	445	425	436	512	482	482	507	542	580
3.2 - LIBRARY (004)	1 006	3 713	3 619	6 865	6 855	6 855	7 055	7 478	8 098
3.3 - PARKS, SPORT AND RECREATION (018)	-	-	-	-	-	-	-	-	-
3.4 - PARKS AND GARDENS (023)	2 624	3 082	4 665	1 946	1 654	1 654	989	1 058	1 132
3.5 - SPORT DEVELOPMENT AND SPORTSFIELDS (024)	461	124	94	93	93	93	95	102	109
3.6 - STADIUM (025)	-	-	-	-	-	-	-	-	-
3.7 - CARAVAN PARK (026)	614	640	678	510	412	412	730	781	836
3.8 - BEACH FACILITIES (027)	128	118	154	7 025	9 926	9 926	5	6	6
3.9 - SWMMING POOLS (042)	314	416	426	270	310	310	491	525	561
3.10 - MUSEUMS,ARTS AND CRAFTS (064)	95	127	136	150	150	150	307	323	340
3.11 - PARKS DISTRIBUTION (073)	-	10	9	-	-	-	-	-	-

**Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>									
<b>Vote 4 - CORPORATE SERVICES - ADMINISTRATION</b>	<b>4 781</b>	<b>12 741</b>	<b>7 660</b>	<b>4 369</b>	<b>5 442</b>	<b>5 442</b>	<b>5 418</b>	<b>6 280</b>	<b>6 590</b>
4.1 - ADMINISTRATION (001)	-	-	-	-	-	-	-	-	-
4.2 - HOUSING RENTAL SCHEMES (003)	1 876	1 760	1 677	1 758	1 558	1 558	1 495	1 600	1 712
4.3 - MUNICIPAL HALLS (016)	449	503	354	486	456	456	338	361	385
4.4 - MUNICIPAL BUILDINGS (019)	1 655	1 459	1 698	839	1 336	1 336	1 553	1 660	1 773
4.5 - COUNCIL GENERAL EXPENDITURE (030)	-	268	228	105	565	565	165	177	189
4.6 - AIRPORT (058)	439	8 851	2 755	450	450	450	441	472	505
4.7 - PRINTING AND PHOTOCOPYING (078)	-	-	-	-	-	-	-	-	-
4.8 - IT SERVICES (082)	362	(99)	947	731	1 077	1 077	1 426	2 011	2 026
<b>Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES</b>	<b>966</b>	<b>2 077</b>	<b>1 755</b>	<b>1 006</b>	<b>806</b>	<b>806</b>	<b>346</b>	<b>370</b>	<b>396</b>
5.1 - MANAGEMENT SERVICES (014)	-	-	-	-	-	-	-	-	-
5.2 - HUMAN RESOURCES AND LOSS CONTROL (021)	-	-	-	-	-	-	-	-	-
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	966	2 077	1 755	1 006	806	806	346	370	396
<b>Vote 6 - FINANCIAL SERVICES</b>	<b>193 790</b>	<b>220 677</b>	<b>280 644</b>	<b>289 738</b>	<b>302 845</b>	<b>302 845</b>	<b>336 236</b>	<b>368 882</b>	<b>404 768</b>
6.1 - SUNDRIES (020)	-	-	-	-	-	-	-	-	-
6.2 - FINANCIAL SERVICES (040)	193 192	220 449	280 077	289 313	302 370	302 370	335 480	368 074	403 904
6.3 - SUPPLY CHAIN MANAGEMENT UNIT (066)	599	228	568	425	475	475	755	808	865
<b>Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES</b>	<b>778 980</b>	<b>970 954</b>	<b>1 133 941</b>	<b>1 148 613</b>	<b>1 323 195</b>	<b>1 323 195</b>	<b>1 400 658</b>	<b>1 514 492</b>	<b>1 633 643</b>
7.1 - STREET LIGHTING (041)	-	-	-	-	-	-	-	-	-
7.2 - ELECTRICITY ADMINISTRATION (054)	-	-	-	-	-	-	-	-	-
7.3 - ELECTRICITY DISTRIBUTION (055)	778 980	970 954	1 132 601	1 148 613	1 316 512	1 316 512	1 400 658	1 514 492	1 633 643
SERVICES (057)	-	-	-	-	-	-	-	-	-
7.5 - ELECTRICITY DISTRIBUTION ACCOUNT (072)	-	-	4	-	-	-	-	-	-
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	-	-	1 317	-	6 683	6 683	-	-	-
7.7 - ELECTRICITY SUPPORT SERVICES (083)	-	-	19	-	-	-	-	-	-

**Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>									
<b>Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES</b>	<b>370 989</b>	<b>383 930</b>	<b>474 242</b>	<b>500 844</b>	<b>592 589</b>	<b>592 589</b>	<b>581 823</b>	<b>652 079</b>	<b>656 927</b>
8.1 - SEWERAGE NETWORKS (034)	99 497	123 697	137 006	154 892	153 494	153 494	225 131	243 906	259 529
8.2 - SEWERAGE PURIFICATION WORKS (035)	-	-	-	-	-	-	-	-	-
8.3 - SEWERAGE PUMPSTATIONS (043)	106	-	-	25	25	25	27	28	29
8.4 - WATER RURAL AREAS (046)	14 148	-	8 452	35 330	101 703	101 703	40 566	36 674	33 236
PLANNING (049)	-	-	837	-	-	-	-	-	-
8.6 - WATER PURIFICATION WORKS (059)	-	-	-	5	5	5	5	6	6
8.7 - WATER DISTRIBUTION (060)	234 178	239 872	305 977	287 657	314 445	314 445	290 725	342 534	333 406
8.8 - CLARIFIED WATER SUPPLY (061)	15 586	13 415	14 195	14 410	13 840	13 840	15 250	16 468	17 784
8.9 - SCIENTIFIC SERVICES (062)	5 581	5 188	6 008	6 625	7 177	7 177	8 425	10 652	10 998
8.10 - INDUSTRIAL EFFLUENT PIPELINE (063)	1 894	1 757	1 757	1 900	1 900	1 900	1 694	1 813	1 940
8.11 - WATER AND SEWERAGE DISTRIBUTION ACCOUNT (074)	-	-	9	-	-	-	-	-	-
8.12 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (087)	-	-	-	-	-	-	-	-	-
<b>Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER</b>	<b>935</b>	<b>1 133</b>	<b>2 263</b>	<b>1 535</b>	<b>1 535</b>	<b>1 535</b>	<b>1 826</b>	<b>1 141</b>	<b>1 220</b>
9.1 - URBAN ROADS AND RAIL (022)	-	-	1 255	665	665	665	826	71	75
9.2 - RURAL ROADS (056)	-	-	-	-	-	-	-	-	-
9.3 - ROADS AND STORMWATER DISTRIBUTION (068)	935	-	-	-	-	-	-	-	-
9.4 - RAILWAY SIDINGS (069)	-	1 133	1 008	870	870	870	1 000	1 070	1 145
<b>Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES</b>	<b>1 328</b>	<b>2 377</b>	<b>2 965</b>	<b>4 514</b>	<b>5 062</b>	<b>5 062</b>	<b>5 288</b>	<b>4 857</b>	<b>5 002</b>
10.1 - ENGINEERING SERVICES (038)	86	127	60	71	42	42	32	34	37
10.2 - PROCESS CONTROL SYSTEMS (050)	-	-	-	-	-	-	-	-	-
10.3 - PROJECT MANAGEMENT (065)	1 195	1 923	2 813	4 210	4 787	4 787	5 011	4 565	4 695
10.4 - MECHANICAL SERVICES (067)	-	-	-	-	-	-	-	-	-
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	8	-	-	10	10	10	10	11	11
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	39	327	85	213	213	213	224	235	247
10.7 - BUILDINGS DISTRIBUTION ACCOUNT (075)	-	-	6	-	-	-	-	-	-
10.8 - RADIO EQUIPMENT ACCOUNT (076)	-	-	-	11	11	11	11	12	12
<b>Vote 11 - OFFICE OF THE MUNICIPAL MANAGER</b>	<b>1 228</b>	<b>3 509</b>	<b>2 473</b>	<b>1 873</b>	<b>2 685</b>	<b>2 685</b>	<b>2 138</b>	<b>2 288</b>	<b>2 447</b>
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	1 228	3 509	2 473	1 873	2 685	2 685	2 138	2 288	2 447
11.2 - MUNICIPAL MANAGER (039)	-	-	-	-	-	-	-	-	-
11.3 - INTERNAL AUDIT (080)	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>1 437 727</b>	<b>1 713 573</b>	<b>2 040 655</b>	<b>2 091 454</b>	<b>2 421 505</b>	<b>2 421 505</b>	<b>2 490 015</b>	<b>2 716 129</b>	<b>2 887 082</b>

**Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)**

Vote Description  R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure by Vote</b>									
<b>Vote 1 - CITY DEVELOPMENT</b>	<b>25 227</b>	<b>25 151</b>	<b>38 758</b>	<b>46 915</b>	<b>47 479</b>	<b>47 479</b>	<b>58 894</b>	<b>60 805</b>	<b>64 577</b>
1.1 - CITY DEVELOPMENT (013)	17 512	19 264	28 014	37 119	33 398	33 398	38 522	38 820	41 543
1.2 - TOWNSHIP DEVELOPMENT (045)	4 938	2 106	3 137	3 283	3 799	3 799	5 059	5 825	5 950
1.3 - PIONEER COURT RENTAL SCHEME (015)	–	–	–	–	–	–	–	–	–
1.4 - HOUSING (028)	2 777	3 780	7 607	6 514	10 281	10 281	15 313	16 160	17 084
<b>Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY</b>	<b>154 941</b>	<b>165 630</b>	<b>185 349</b>	<b>208 110</b>	<b>221 002</b>	<b>221 002</b>	<b>234 194</b>	<b>249 600</b>	<b>266 613</b>
2.1 - FIRE BRIGADE (005)	31 492	33 675	36 240	43 898	43 035	43 035	46 223	49 472	52 949
2.2 - TRAFFIC (006)	24 954	23 678	30 272	34 526	35 760	35 760	36 122	38 544	41 266
2.3 - DISASTER MANAGEMENT (007)	501	719	739	882	899	899	1 461	1 560	1 677
2.4 - HEALTH ADMINISTRATION (008)	6 556	7 095	8 176	10 650	11 142	11 142	12 664	13 463	14 381
2.5 - CLINICS (009)	14 424	15 665	16 800	20 434	22 590	22 590	23 696	25 128	26 895
2.6 - CRIME PREVENTION (010)	804	503	257	1 091	1 608	1 608	4 030	4 311	4 633
2.7 - LICENCES TRAFFIC (012)	6 231	7 163	8 128	9 188	9 151	9 151	9 957	10 609	11 349
2.8 - COMMUTER FACILITIES (029)	1 049	949	1 093	1 692	1 715	1 715	1 735	1 485	1 347
2.9 - STREET CLEANING (032)	17 518	18 772	20 914	26 756	26 297	26 297	27 820	29 686	31 822
2.10 - REFUSE REMOVAL (033)	50 282	56 080	61 405	57 036	66 864	66 864	68 468	73 204	77 994
2.11 - WASTE DISPOSAL (036)	44	37	(1)	299	309	309	305	304	327
2.12 - PUBLIC CONVENIENCES (037)	1 085	1 293	1 326	1 660	1 632	1 632	1 712	1 834	1 973
<b>Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES</b>	<b>88 447</b>	<b>95 304</b>	<b>111 183</b>	<b>131 884</b>	<b>130 758</b>	<b>130 758</b>	<b>144 983</b>	<b>154 296</b>	<b>163 201</b>
3.1 - CEMETERY (002)	6 141	6 409	6 132	8 383	8 308	8 308	8 351	8 792	9 467
3.2 - LIBRARY (004)	11 417	11 356	12 954	17 131	17 199	17 199	16 908	17 720	18 942
3.3 - PARKS, SPORT AND RECREATION (018)	5 452	5 831	6 347	7 534	7 765	7 765	8 429	9 006	9 654
3.4 - PARKS AND GARDENS (023)	31 915	36 743	44 585	46 045	46 327	46 327	55 796	60 506	63 673
(024)	10 930	11 576	16 362	20 179	20 099	20 099	21 560	22 343	23 356
3.6 - STADIUM (025)	6	26	151	157	85	85	155	161	171
3.7 - CARAVAN PARK (026)	–	–	–	–	–	–	11	11	11
3.8 - BEACH FACILITIES (027)	10 765	9 848	10 064	13 967	13 681	13 681	14 109	14 935	15 879
3.9 - SWIMMING POOLS (042)	10 768	12 381	13 363	16 974	15 877	15 877	18 013	19 061	20 159
3.10 - MUSEUMS,ARTS AND CRAFTS (064)	1 052	1 127	1 217	1 515	1 414	1 414	1 648	1 759	1 886
3.11 - PARKS DISTRIBUTION (073)	(0)	7	8	–	3	3	4	4	4

**Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)**

Vote Description  R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure by Vote</b>									
<b>Vote 1 - CITY DEVELOPMENT</b>	<b>25 227</b>	<b>25 151</b>	<b>38 758</b>	<b>46 915</b>	<b>47 479</b>	<b>47 479</b>	<b>58 894</b>	<b>60 805</b>	<b>64 577</b>
1.1 - CITY DEVELOPMENT (013)	17 512	19 264	28 014	37 119	33 398	33 398	38 522	38 820	41 543
1.2 - TOWNSHIP DEVELOPMENT (045)	4 938	2 106	3 137	3 283	3 799	3 799	5 059	5 825	5 950
1.3 - PIONEER COURT RENTAL SCHEME (015)	–	–	–	–	–	–	–	–	–
1.4 - HOUSING (028)	2 777	3 780	7 607	6 514	10 281	10 281	15 313	16 160	17 084
<b>Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY</b>	<b>154 941</b>	<b>165 630</b>	<b>185 349</b>	<b>208 110</b>	<b>221 002</b>	<b>221 002</b>	<b>234 194</b>	<b>249 600</b>	<b>266 613</b>
2.1 - FIRE BRIGADE (005)	31 492	33 675	36 240	43 898	43 035	43 035	46 223	49 472	52 949
2.2 - TRAFFIC (006)	24 954	23 678	30 272	34 526	35 760	35 760	36 122	38 544	41 266
2.3 - DISASTER MANAGEMENT (007)	501	719	739	882	899	899	1 461	1 560	1 677
2.4 - HEALTH ADMINISTRATION (008)	6 556	7 095	8 176	10 650	11 142	11 142	12 664	13 463	14 381
2.5 - CLINICS (009)	14 424	15 665	16 800	20 434	22 590	22 590	23 696	25 128	26 895
2.6 - CRIME PREVENTION (010)	804	503	257	1 091	1 608	1 608	4 030	4 311	4 633
2.7 - LICENCES TRAFFIC (012)	6 231	7 163	8 128	9 188	9 151	9 151	9 957	10 609	11 349
2.8 - COMMUTER FACILITIES (029)	1 049	949	1 093	1 692	1 715	1 715	1 735	1 485	1 347
2.9 - STREET CLEANING (032)	17 518	18 772	20 914	26 756	26 297	26 297	27 820	29 686	31 822
2.10 - REFUSE REMOVAL (033)	50 282	56 080	61 405	57 036	66 864	66 864	68 468	73 204	77 994
2.11 - WASTE DISPOSAL (036)	44	37	(1)	299	309	309	305	304	327
2.12 - PUBLIC CONVENIENCES (037)	1 085	1 293	1 326	1 660	1 632	1 632	1 712	1 834	1 973
<b>Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES</b>	<b>88 447</b>	<b>95 304</b>	<b>111 183</b>	<b>131 884</b>	<b>130 758</b>	<b>130 758</b>	<b>144 983</b>	<b>154 296</b>	<b>163 201</b>
3.1 - CEMETERY (002)	6 141	6 409	6 132	8 383	8 308	8 308	8 351	8 792	9 467
3.2 - LIBRARY (004)	11 417	11 356	12 954	17 131	17 199	17 199	16 908	17 720	18 942
3.3 - PARKS, SPORT AND RECREATION (018)	5 452	5 831	6 347	7 534	7 765	7 765	8 429	9 006	9 654
3.4 - PARKS AND GARDENS (023)	31 915	36 743	44 585	46 045	46 327	46 327	55 796	60 506	63 673
(024)	10 930	11 576	16 362	20 179	20 099	20 099	21 560	22 343	23 356
3.6 - STADIUM (025)	6	26	151	157	85	85	155	161	171
3.7 - CARAVAN PARK (026)	–	–	–	–	–	–	11	11	11
3.8 - BEACH FACILITIES (027)	10 765	9 848	10 064	13 967	13 681	13 681	14 109	14 935	15 879
3.9 - SWIMMING POOLS (042)	10 768	12 381	13 363	16 974	15 877	15 877	18 013	19 061	20 159
3.10 - MUSEUMS,ARTS AND CRAFTS (064)	1 052	1 127	1 217	1 515	1 414	1 414	1 648	1 759	1 886
3.11 - PARKS DISTRIBUTION (073)	(0)	7	8	–	3	3	4	4	4

**Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)**

Vote Description  R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure by Vote</b>									
<b>Vote 4 - CORPORATE SERVICES - ADMINISTRATION</b>	<b>26 066</b>	<b>26 610</b>	<b>37 121</b>	<b>28 725</b>	<b>29 219</b>	<b>29 219</b>	<b>27 785</b>	<b>27 240</b>	<b>26 574</b>
4.1 - ADMINISTRATION (001)	4 968	4 105	3 250	1 222	1 307	1 307	156	167	179
4.2 - HOUSING RENTAL SCHEMES (003)	2 332	2 322	2 347	3 426	3 384	3 384	2 695	2 866	3 063
4.3 - MUNICIPAL HALLS (016)	8 072	8 719	10 200	12 618	13 003	13 003	15 296	16 291	17 386
4.4 - MUNICIPAL BUILDINGS (019)	3 737	1 980	4 120	6 355	5 961	5 961	5 769	3 859	1 643
4.5 - COUNCIL GENERAL EXPENDITURE (030)	6 585	9 511	15 990	1 233	1 066	1 066	414	435	465
4.6 - AIRPORT (058)	18	72	269	342	344	344	903	909	940
4.7 - PRINTING AND PHOTOCOPYING (078)	–	–	–	–	–	–	–	–	–
4.8 - IT SERVICES (082)	355	(100)	947	3 530	4 154	4 154	2 552	2 713	2 899
<b>Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES</b>	<b>2 090</b>	<b>3 131</b>	<b>2 433</b>	<b>4 533</b>	<b>4 900</b>	<b>4 900</b>	<b>4 476</b>	<b>4 751</b>	<b>5 065</b>
5.1 - MANAGEMENT SERVICES (014)	1 124	1 054	681	1 723	1 790	1 790	1 554	1 655	1 771
(021)	(0)	0	(2)	888	986	986	999	1 058	1 124
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	966	2 077	1 753	1 922	2 124	2 124	1 922	2 038	2 170
<b>Vote 6 - FINANCIAL SERVICES</b>	<b>(64 924)</b>	<b>(78 504)</b>	<b>(15 409)</b>	<b>5 315</b>	<b>8 005</b>	<b>8 005</b>	<b>1 493</b>	<b>1 593</b>	<b>1 708</b>
6.1 - SUNDRIES (020)	–	–	–	–	–	–	–	–	–
6.2 - FINANCIAL SERVICES (040)	(65 749)	(78 876)	(15 330)	4 501	7 056	7 056	1 349	1 439	1 542
6.3 - SUPPLY CHAIN MANAGEMENT UNIT (066)	824	371	(80)	814	949	949	144	154	166
<b>Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES</b>	<b>771 633</b>	<b>960 189</b>	<b>973 399</b>	<b>956 173</b>	<b>1 085 565</b>	<b>1 085 565</b>	<b>1 230 650</b>	<b>1 322 771</b>	<b>1 421 803</b>
7.1 - STREET LIGHTING (041)	13 945	16 317	18 807	21 433	21 431	21 431	25 692	27 353	28 933
7.2 - ELECTRICITY ADMINISTRATION (054)	574 986	751 435	846 414	825 100	953 409	953 409	1 079 114	1 164 247	1 256 649
7.3 - ELECTRICITY DISTRIBUTION (055)	176 591	185 922	99 106	100 957	102 172	102 172	115 989	120 605	124 891
SERVICES (057)	6 111	6 514	7 732	8 683	8 549	8 549	9 850	10 561	11 323
7.5 - ELECTRICITY DISTRIBUTION ACCOUNT (072)	(0)	(0)	4	–	1	1	1	1	1
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	(0)	0	1 317	–	5	5	5	5	6
7.7 - ELECTRICITY SUPPORT SERVICES (083)	–	0	19	–	–	–	–	–	–

**Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure by Vote</b>									
<b>Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES</b>	<b>303 205</b>	<b>329 228</b>	<b>383 826</b>	<b>415 268</b>	<b>446 044</b>	<b>446 044</b>	<b>458 129</b>	<b>491 575</b>	<b>538 312</b>
8.1 - SEWERAGE NETWORKS (034)	21 857	30 258	35 690	34 861	35 971	35 971	44 665	52 712	61 102
8.2 - SEWERAGE PURIFICATION WORKS (035)	30 670	34 020	38 008	47 004	53 855	53 855	52 148	55 781	59 906
8.3 - SEWERAGE PUMPSTATIONS (043)	20 330	17 702	19 139	22 894	26 103	26 103	26 168	28 352	30 936
8.4 - WATER RURAL AREAS (046)	23 994	24 097	30 828	37 508	42 375	42 375	51 687	49 177	51 350
PLANNING (049)	–	–	(12 086)	4 176	4 480	4 480	4 765	5 069	5 396
8.6 - WATER PURIFICATION WORKS (059)	94 300	100 996	129 230	145 624	152 379	152 379	135 564	149 889	166 517
8.7 - WATER DISTRIBUTION (060)	87 503	102 355	116 490	93 680	98 283	98 283	104 914	108 515	119 245
8.8 - CLARIFIED WATER SUPPLY (061)	14 360	10 467	12 549	15 013	16 003	16 003	15 108	15 926	16 831
8.9 - SCIENTIFIC SERVICES (062)	8 490	9 088	13 540	12 263	14 264	14 264	21 335	24 368	25 259
8.10 - INDUSTRIAL EFFLUENT PIPELINE (063)	1 701	246	438	2 246	2 276	2 276	1 714	1 722	1 702
ACCOUNT (074)	(0)	(0)	4	–	5	5	6	6	7
ACCOUNT (087)	–	(0)	(5)	–	50	50	55	59	63
<b>Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER</b>	<b>81 322</b>	<b>75 899</b>	<b>101 516</b>	<b>131 606</b>	<b>146 558</b>	<b>146 558</b>	<b>147 305</b>	<b>168 700</b>	<b>196 232</b>
9.1 - URBAN ROADS AND RAIL (022)	80 669	75 038	85 797	108 649	112 239	112 239	114 317	133 481	158 489
9.2 - RURAL ROADS (056)	–	–	15 014	21 909	33 270	33 270	31 870	34 033	36 480
(068)	(0)	(0)	–	–	–	–	–	–	–
9.4 - RAILWAY SIDINGS (069)	652	861	705	1 048	1 048	1 048	1 119	1 186	1 263
<b>Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES</b>	<b>15 823</b>	<b>18 245</b>	<b>23 617</b>	<b>50 024</b>	<b>43 086</b>	<b>43 086</b>	<b>43 809</b>	<b>41 595</b>	<b>42 277</b>
10.1 - ENGINEERING SERVICES (038)	13 733	14 927	13 372	11 803	11 362	11 362	12 563	13 354	14 281
10.2 - PROCESS CONTROL SYSTEMS (050)	–	–	5 591	6 954	6 761	6 761	10 065	10 656	11 302
10.3 - PROJECT MANAGEMENT (065)	2 047	2 991	4 562	9 687	10 757	10 757	11 234	11 300	11 998
10.4 - MECHANICAL SERVICES (067)	(4)	(0)	–	–	31	31	34	37	39
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	8	(0)	–	613	2 350	2 350	3 501	3 085	2 771
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	39	327	85	20 942	11 798	11 798	6 398	3 150	1 869
10.7 - BUILDINGS DISTRIBUTION ACCOUNT (075)	–	(0)	6	–	–	–	–	–	–
10.8 - RADIO EQUIPMENT ACCOUNT (076)	–	0	0	25	27	27	14	15	16



**Table A3A - Budgeted Financial Performance (revenue and expenditure by municipal vote - Detail) – (Continued)**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Expenditure by Vote</b>									
<b>Vote 11 - OFFICE OF THE MUNICIPAL MANAGER</b>	<b>18 231</b>	<b>17 314</b>	<b>13 356</b>	<b>10 861</b>	<b>11 185</b>	<b>11 185</b>	<b>11 530</b>	<b>12 270</b>	<b>13 090</b>
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	16 186	14 538	9 832	10 852	10 976	10 976	11 499	12 237	13 054
11.2 - MUNICIPAL MANAGER (039)	2 047	2 778	3 525	–	200	200	–	–	–
11.3 - INTERNAL AUDIT (080)	(2)	(2)	–	9	9	9	32	33	35
<b>Total Expenditure by Vote</b>	<b>1 422 058</b>	<b>1 638 195</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>

**Table 22 Surplus/ (Deficit) calculations for the trading services**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Electricity</b>									
Total revenue (incl capital grants and transfers)	778 980	970 954	1 133 941	1 148 613	1 323 195	1 323 195	1 400 658	1 514 492	1 633 643
Operating Expenditure	757 688	943 872	954 591	934 741	1 064 134	1 064 134	1 204 958	1 295 418	1 392 869
<b>Surplus/(Deficit) for the year</b>	21 293	27 082	179 349	213 872	259 061	259 061	195 700	219 074	240 774
<b>Percentage Surplus</b>	2.7%	2.8%	15.8%	18.6%	19.6%	19.6%	14.0%	14.5%	14.7%
<b>Water</b>									
Total revenue (incl capital grants and transfers)	267 328	256 843	333 876	346 132	439 563	439 563	357 476	408 616	397 778
Operating Expenditure	227 621	280 843	282 283	303 542	322 039	322 039	322 351	339 589	370 897
<b>Surplus/(Deficit) for the year</b>	39 707	(24 001)	51 594	42 590	117 524	117 524	35 125	69 027	26 880
<b>Percentage Surplus</b>	14.9%	-9.3%	15.5%	12.3%	26.7%	26.7%	9.8%	16.9%	6.8%
<b>Waste water management</b>									
Total revenue (incl capital grants and transfers)	104 913	129 010	143 179	158 922	157 812	157 812	229 357	248 029	263 845
Operating Expenditure	83 120	47 579	100 211	116 205	128 406	128 406	137 708	152 480	168 301
<b>Surplus/(Deficit) for the year</b>	21 793	81 431	42 968	42 717	29 406	29 406	91 650	95 549	95 544
<b>Percentage Surplus</b>	20.8%	63.1%	30.0%	26.9%	18.6%	18.6%	40.0%	38.5%	36.2%
<b>Waste management</b>									
Total revenue (incl capital grants and transfers)	52 482	61 322	69 353	86 518	87 843	87 843	103 275	112 873	121 074
Operating Expenditure	67 844	74 889	82 319	84 091	93 470	93 470	96 593	103 194	110 143
<b>Surplus/(Deficit) for the year</b>	(15 363)	(13 567)	(12 966)	2 428	(5 627)	(5 627)	6 682	9 679	10 931
<b>Percentage Surplus</b>	-29.3%	-22.1%	-18.7%	2.8%	-6.4%	-6.4%	6.5%	8.6%	9.0%

- It needs to be noted that surpluses reflected above include capital revenues (Transfers recognised – capital), which distorts the real picture of the actual operational surpluses for all trading services.
- The electricity trading surplus is constant over the 2014/15 MTREF from 14 per cent or R196 million in 2014/15 to 14,5 per cent by 2015/16.
- The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 9,8 per cent, 16,9 per cent and 6,8 per cent for each of the respective financial years. The drop in revenue for the 2016/17 MTREF is due to a reduction in the capital revenue allocation in terms of DORA. Refer to Table SA 18 – Transfer and grant receipts.
- Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, and used to cross-subsidise other municipal services.

**Table 23 Surplus/ (Deficit) calculations for other services**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Governance and administration</b>									
Total revenue (incl capital grants and transfers)	203 001	247 502	300 755	299 327	314 519	314 519	344 317	378 500	414 807
Operating Expenditure	(24 731)	(24 001)	45 809	74 787	71 176	71 176	62 069	62 101	63 959
<b>Surplus/(Deficit) for the year</b>	227 732	271 503	254 946	224 540	243 342	243 342	282 248	316 399	350 848
<b>Percentage Surplus</b>	112.2%	109.7%	84.8%	75.0%	77.4%	77.4%	82.0%	83.6%	84.6%
<b>Community and public safety</b>									
Total revenue (incl capital grants and transfers)	17 283	24 751	34 140	38 170	51 501	51 501	33 969	35 852	38 030
Operating Expenditure	192 038	201 435	234 781	281 665	283 965	283 965	313 214	331 000	349 242
<b>Surplus/(Deficit) for the year</b>	(174 755)	(176 684)	(200 642)	(243 495)	(232 464)	(232 464)	(279 245)	(295 148)	(311 211)
<b>Percentage Surplus/ (Deficit)</b>	-1011.1%	-713.8%	-587.7%	-637.9%	-451.4%	-451.4%	-822.1%	-823.2%	-818.3%
<b>Economic and environmental services</b>									
Total revenue (incl capital grants and transfers)	9 801	11 430	13 613	12 301	12 098	12 098	12 295	12 343	13 213
Operating Expenditure	115 683	109 725	147 279	187 528	199 983	199 983	210 139	234 346	266 014
<b>Surplus/(Deficit) for the year</b>	(105 882)	(98 295)	(133 665)	(175 227)	(187 886)	(187 886)	(197 843)	(222 003)	(252 801)
<b>Percentage Surplus/ (Deficit)</b>	-1080.4%	-859.9%	-981.9%	-1424.5%	-1553.1%	-1553.1%	-1609.1%	-1798.7%	-1913.3%
<b>Housing</b>									
Total revenue (incl capital grants and transfers)	3 499	2 909	9 042	1 020	34 524	34 524	8 226	4 954	4 187
Operating Expenditure	2 777	3 780	7 607	6 514	10 281	10 281	15 313	16 160	17 084
<b>Surplus/(Deficit) for the year</b>	723	(872)	1 435	(5 493)	24 243	24 243	(7 087)	(11 206)	(12 897)
<b>Percentage Surplus/ (Deficit)</b>	20.7%	-30.0%	15.9%	-538.5%	70.2%	70.2%	-86.2%	-226.2%	-308.1%

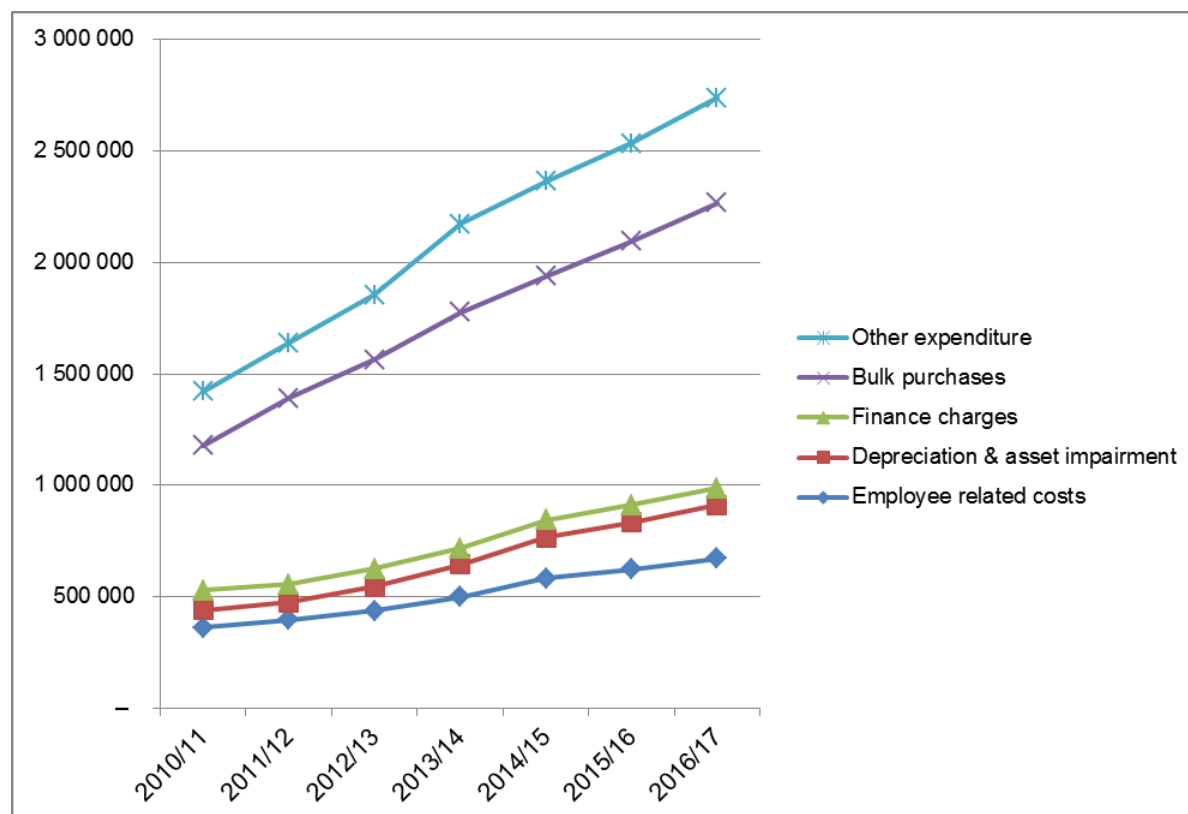
- This table highlights the extent of cross-subsidisation from the trading services to the Community and public safety, Economic and environmental and Housing services.
- Although Council has received Level II Accreditation, the subsidisation of Housing services can be construed as an “unfunded” mandate.

**Table 24 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	178 078	204 614	238 007	275 000	280 000	280 000	314 000	345 400	379 940
Service charges - electricity revenue	766 601	966 962	1 091 706	1 141 500	1 288 622	1 288 622	1 385 000	1 495 800	1 615 464
Service charges - water revenue	128 360	134 008	158 637	166 853	174 681	174 681	204 600	222 922	242 887
Service charges - sanitation revenue	54 755	59 702	66 946	74 241	72 841	72 841	78 000	84 240	90 979
Service charges - refuse revenue	39 044	46 088	52 520	57 050	58 390	58 390	62 000	66 960	72 317
Service charges - other	14 516	18 483	18 468	12 472	12 934	12 934	12 561	13 440	14 380
Rental of facilities and equipment	10 901	16 133	16 860	10 878	9 086	9 086	8 234	8 810	9 426
Interest earned - external investments	2 565	4 012	14 499	4 152	10 100	10 100	10 605	11 135	11 692
Interest earned - outstanding debtors	1 284	1 639	1 778	1 597	1 673	1 673	1 542	1 650	1 766
Dividends received	-	-	-	-	-	-	-	-	-
Fines	1 645	3 005	10 550	10 102	9 302	9 302	8 877	9 499	10 163
Licences and permits	1 867	1 831	1 933	2 747	1 846	1 846	1 728	1 849	1 986
Agency services	4 603	5 922	6 093	5 800	6 200	6 200	6 350	6 795	7 270
Transfers recognised - operational	157 427	183 050	202 114	219 635	236 994	236 994	260 509	272 068	287 010
Other revenue	27 011	13 129	108 315	15 729	16 183	16 183	16 553	17 685	18 896
Gains on disposal of PPE	2 350	5 857	569	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 391 008</b>	<b>1 664 435</b>	<b>1 988 995</b>	<b>1 997 756</b>	<b>2 178 852</b>	<b>2 178 852</b>	<b>2 370 559</b>	<b>2 558 251</b>	<b>2 764 176</b>
<b>Expenditure By Type</b>									
Employee related costs	361 199	395 706	437 126	508 764	499 490	499 490	583 141	623 840	670 647
Remuneration of councillors	14 587	15 863	17 148	21 529	21 529	21 529	23 176	24 799	26 660
Debt impairment	2 310	3 000	3 647	2 075	2 075	2 075	3 050	3 264	3 508
Depreciation & asset impairment	79 050	78 242	108 389	145 218	145 218	145 218	182 390	207 970	239 935
Finance charges	88 508	82 481	79 985	75 538	73 038	73 038	77 614	78 455	76 574
Bulk purchases	649 531	834 060	937 247	928 881	1 057 967	1 057 967	1 096 502	1 184 766	1 280 238
Other materials	50 407	43 312	21 145	24 033	26 943	26 943	34 702	37 158	39 973
Contracted services	87 889	100 102	136 837	129 661	147 463	147 463	159 669	170 707	183 021
Transfers and grants	6 349	5 543	7 178	9 904	10 216	10 216	13 749	14 705	15 800
Other expenditure	82 228	79 886	105 977	143 811	189 860	189 860	189 254	189 533	203 095
Loss on disposal of PPE	-	-	470	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>1 422 058</b>	<b>1 638 196</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit)</b>	<b>(31 050)</b>	<b>26 239</b>	<b>133 847</b>	<b>8 342</b>	<b>5 054</b>	<b>5 054</b>	<b>7 311</b>	<b>23 055</b>	<b>24 726</b>
Transfers recognised - capital	46 719	49 138	51 659	93 697	242 652	242 652	119 456	157 879	122 907
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R2,37 billion in 2014/15 and escalates to R2,6 billion by 2015/16 and R2,8 billion by 2016/17. This represents a year-on-year increase of 9 per cent for the 2014/15 financial year and 8 per cent for the 2015/16 financial year and 17 per cent for the 2016/17 financial year.
2. Revenue to be generated from Property Rates is R 314 million in the 2014/15 financial year and increases to R 345 million by 2015/16 which represents 10 per cent of the operating revenue base of the City and therefore remains significant short of funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 10 per cent for both of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R1,7 billion for the 2014/15 financial year and increasing to R1,8 billion by 2015/16. For the 2014/15 financial year services charges amount to 74 per cent of the total revenue base, however no economic growth has been built into these revenue figures. The growth that is reflected here is mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 4,2 per cent and 5,5 per cent for the two outer years.
5. The following graph illustrates the major expenditure items per type.

**Figure 3 Expenditure by major type**

6. Bulk purchases have significantly increased over the 2010/11 to 2014/15 period escalating from R650 million to R1,1 billion. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Mhlathuze Water including the investment of Tata Steel in the City in 2011/12.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 25 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - CITY DEVELOPMENT	(573)	1 074	6 098	974	29 906	26 867	268	270	343
Vote 2 - COMMUNITY SERVICES - HEALTH	–	7	901	25 541	24 450	24 474	15 558	13 077	7 708
Vote 3 - COMMUNITY SERVICES - RECREATION	151	220	2 427	20 188	21 413	19 183	14 116	15 027	31 745
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	2 452	10 626	9 850	16 080	12 913	12 528	15 213	31 146	41 302
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	–	–	–	15	15	15	94	50	94
Vote 6 - FINANCIAL SERVICES	–	211	142	789	–	–	547	1 207	3 054
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES	16 334	8 025	12 722	62 659	87 014	83 191	26 799	15 123	21 920
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES	49 891	45 212	47 811	118 845	203 551	201 404	147 356	174 924	150 192
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES	3 922	2 312	5 025	34 684	20 534	23 653	9 031	9 439	11 162
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES	–	15 456	–	7 374	7 514	8 492	13 089	25 412	26 651
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	–	68	49	–	–	–	44	44	78
<b>Capital multi-year expenditure sub-total</b>	<b>72 176</b>	<b>83 211</b>	<b>85 024</b>	<b>287 148</b>	<b>407 311</b>	<b>399 808</b>	<b>242 115</b>	<b>285 719</b>	<b>294 248</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - CITY DEVELOPMENT	527	293	1 123	424	617	3 656	–	–	–
Vote 2 - COMMUNITY SERVICES - HEALTH	–	151	495	2 157	2 199	2 268	2 618	2 017	1 728
Vote 3 - COMMUNITY SERVICES - RECREATION	1 385	814	1 385	9 731	10 033	12 371	719	955	3 773
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	1 897	518	6 718	6 197	5 916	6 187	2 802	2 252	4 765
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	–	8	16	21	5	5	–	–	–
Vote 6 - FINANCIAL SERVICES	152	79	104	3 962	149	109	4 917	–	–
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES	704	252	4 760	2 728	2 243	6 111	2 800	13 287	8 209
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES	4 600	1 558	3 790	8 768	8 196	10 344	50	–	–
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES	4 647	(75)	1 998	2 741	8 078	5 466	770	400	3 423
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES	88	66	9 604	14 683	22 919	21 436	2 648	4 174	4 727
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	–	166	22	154	225	225	–	–	–
<b>Capital single-year expenditure sub-total</b>	<b>14 000</b>	<b>3 831</b>	<b>30 012</b>	<b>51 565</b>	<b>60 579</b>	<b>68 176</b>	<b>17 323</b>	<b>23 084</b>	<b>26 624</b>
<b>Total Capital Expenditure - Vote</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 879</b>	<b>320 907</b>

**Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source – (continued)**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>2 955</b>	<b>18 909</b>	<b>22 235</b>	<b>42 153</b>	<b>45 879</b>	<b>45 179</b>	<b>30 519</b>	<b>54 236</b>	<b>70 933</b>
Executive and council	20	–	–	375	450	450	88	88	150
Budget and treasury office	152	269	195	4 751	104	104	5 464	1 207	3 054
Corporate services	2 784	18 640	22 040	37 027	45 325	44 625	24 967	52 941	67 729
<b>Community and public safety</b>	<b>2 952</b>	<b>2 216</b>	<b>15 937</b>	<b>61 156</b>	<b>93 638</b>	<b>93 880</b>	<b>42 497</b>	<b>41 342</b>	<b>57 145</b>
Community and social services	3 191	593	4 470	16 572	19 444	19 493	16 440	13 289	14 958
Sport and recreation	923	895	2 276	24 693	27 369	27 469	7 230	12 742	30 298
Public safety	20	89	2 920	13 697	14 742	14 742	16 239	12 700	11 282
Housing	(1 181)	623	6 046	–	26 244	26 244	–	–	–
Health	–	17	225	6 193	5 838	5 932	2 588	2 611	608
<b>Economic and environmental services</b>	<b>8 760</b>	<b>2 509</b>	<b>7 247</b>	<b>37 935</b>	<b>29 117</b>	<b>29 623</b>	<b>10 519</b>	<b>10 409</b>	<b>15 227</b>
Planning and development	191	271	219	156	112	112	268	270	343
Road transport	8 569	2 237	7 028	37 780	29 005	29 511	10 251	10 139	14 884
<b>Trading services</b>	<b>71 509</b>	<b>55 100</b>	<b>67 359</b>	<b>197 470</b>	<b>299 257</b>	<b>299 302</b>	<b>175 903</b>	<b>202 817</b>	<b>177 567</b>
Electricity	17 019	8 277	15 544	58 818	81 306	81 351	24 719	23 493	23 875
Water	16 489	4 747	15 048	55 372	153 668	140 393	77 991	92 661	61 828
Waste water management	38 001	42 023	36 584	72 259	58 079	71 354	69 415	82 262	88 364
Waste management	–	53	183	11 021	6 203	6 203	3 778	4 400	3 500
<b>Other</b>	<b>–</b>	<b>8 309</b>	<b>2 258</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Standard</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>
<b>Funded by:</b>									
National Government	43 927	39 679	40 345	83 697	194 730	194 730	119 456	157 879	122 907
Provincial Government	1 964	9 452	11 087	10 000	47 922	47 922	–	–	–
District Municipality	19	–	97	–	–	–	–	–	–
Other transfers and grants	808	7	131	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>46 719</b>	<b>49 138</b>	<b>51 659</b>	<b>93 697</b>	<b>242 652</b>	<b>242 652</b>	<b>119 456</b>	<b>157 879</b>	<b>122 907</b>
<b>Public contributions &amp; donations</b>	<b>4 393</b>	<b>3 165</b>	<b>4 531</b>	<b>16 237</b>	<b>16 237</b>	<b>16 237</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Borrowing</b>	<b>17 195</b>	<b>22 907</b>	<b>33 829</b>	<b>136 119</b>	<b>122 772</b>	<b>125 022</b>	<b>85 500</b>	<b>90 000</b>	<b>125 000</b>
<b>Internally generated funds</b>	<b>17 869</b>	<b>11 833</b>	<b>25 017</b>	<b>92 661</b>	<b>86 229</b>	<b>84 072</b>	<b>54 482</b>	<b>61 000</b>	<b>73 000</b>
<b>Total Capital Funding</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 879</b>	<b>320 907</b>



**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 R242 million has been allocated of the total R259 million capital budget, which totals 93 per cent. This allocation escalates to R 286 million in 2015/16 and then to R 294 million in 2016/17.
3. Single-year capital expenditure has been appropriated at R 17 million for the 2014/15 financial year and remains relatively constant over the MTREF at levels of R 23 million and R 27 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the City. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2014/15, capital transfers totals R 119 million (46 per cent) and escalates to R 158 million in the 2015/16 financial year (51 per cent). Borrowing has been provided at R 300,5 million over the MTREF with internally generated funding totaling R 54,5 million, R 61 million and R 73 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

**Table 26 MBRR Table A5A - Budgeted Capital Expenditure by vote, Municipal classification**

Vote Description  R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Municipal Vote</b>									
<b>Multi-year expenditure appropriation</b>									
<b>Vote 1 - CITY DEVELOPMENT</b>	<b>(573)</b>	<b>1 074</b>	<b>6 098</b>	<b>974</b>	<b>29 906</b>	<b>26 867</b>	<b>268</b>	<b>270</b>	<b>343</b>
1.1 - CITY DEVELOPMENT (013)	4	29	2	151	100	–	268	270	343
1.2 - TOWNSHIP DEVELOPMENT (045)	605	423	50	823	3 563	623	–	–	–
1.4 - HOUSING (028)	(1 181)	623	6 046	–	26 244	26 244	–	–	–
<b>Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC</b>	<b>–</b>	<b>7</b>	<b>901</b>	<b>25 541</b>	<b>24 450</b>	<b>24 474</b>	<b>15 558</b>	<b>13 077</b>	<b>7 708</b>
2.1 - FIRE BRIGADE (005)	–	–	901	5 050	5 613	5 593	10 003	7 280	3 300
2.2 - TRAFFIC (006)	–	7	–	500	–	–	–	–	–
2.4 - HEALTH ADMINISTRATION (008)	–	–	–	4 537	4 527	4 527	55	32	142
2.5 - CLINICS (009)	–	–	–	1 534	687	731	1 606	1 066	466
2.7 - LICENCES TRAFFIC (012)	–	–	–	–	–	–	320	300	300
2.8 - COMMUTER FACILITIES (029)	–	–	–	3 000	7 423	7 423	–	–	–
2.10 - REFUSE REMOVAL (033)	–	–	–	10 920	6 200	6 200	3 573	4 400	3 500
<b>Vote 3 - COMMUNITY SERVICES - RECREATION AND ENV</b>	<b>151</b>	<b>220</b>	<b>2 427</b>	<b>20 188</b>	<b>21 413</b>	<b>19 183</b>	<b>14 116</b>	<b>15 027</b>	<b>31 745</b>
3.1 - CEMETERY (002)	–	–	637	1 268	696	696	2 100	1 000	3 500
3.2 - LIBRARY (004)	150	–	575	3 137	2 996	2 996	5 408	1 560	100
3.4 - PARKS AND GARDENS (023)	–	–	–	900	670	770	1 000	1 000	1 800
3.5 - SPORT DEVELOPMENT AND SPORTSFIELDS (024)	–	–	531	3 911	3 903	1 634	4 680	10 750	24 402
3.8 - BEACH FACILITIES (027)	–	–	178	7 612	10 533	10 533	20	130	33
3.9 - SWIMMING POOLS (042)	1	85	204	1 171	1 197	1 137	108	387	509
3.11 - PARKS DISTRIBUTION (073)	–	136	302	2 190	1 418	1 418	800	200	1 400
<b>Vote 4 - CORPORATE SERVICES - ADMINISTRATION</b>	<b>2 452</b>	<b>10 626</b>	<b>9 850</b>	<b>16 080</b>	<b>12 913</b>	<b>12 528</b>	<b>15 213</b>	<b>31 146</b>	<b>41 302</b>
4.3 - MUNICIPAL HALLS (016)	32	–	370	3 631	2 881	3 011	3 750	3 900	1 700
4.4 - MUNICIPAL BUILDINGS (019)	2 400	9	264	1 272	1 768	1 253	3 175	4 400	4 621
4.5 - COUNCIL GENERAL EXPENDITURE (030)	20	–	–	–	–	–	–	–	–
4.6 - AIRPORT (058)	–	8 309	2 258	–	–	–	–	–	–
4.8 - IT SERVICES (082)	–	2 309	6 957	11 177	8 264	8 264	8 288	22 846	34 981
<b>Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>94</b>	<b>50</b>	<b>94</b>
5.1 - MANAGEMENT SERVICES (014)	–	–	–	15	15	15	20	15	20
5.2 - HUMAN RESOURCES AND LOSS CONTROL (021)	–	–	–	–	–	–	30	10	30
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	–	–	–	–	–	–	44	25	44

**Table A5A - Budgeted Capital Expenditure by vote, Municipal classification – (continued)**

Vote Description  R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Municipal Vote</b>									
<b>Multi-year expenditure appropriation</b>									
<b>Vote 6 - FINANCIAL SERVICES</b>	–	211	142	789	–	–	547	1 207	3 054
6.1 - SUNDRIES (020)	–	–	–	–	–	–	–	–	–
6.2 - FINANCIAL SERVICES (040)	–	211	142	789	–	–	547	1 207	3 054
<b>Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	16 334	8 025	12 722	62 659	87 014	83 191	26 799	15 123	21 920
7.1 - STREET LIGHTING (041)	20	–	1 737	6 547	7 951	4 361	3 880	–	6 254
7.2 - ELECTRICITY ADMINISTRATION (054)	16 282	–	–	–	–	–	–	–	–
7.3 - ELECTRICITY DISTRIBUTION (055)	–	8 025	10 984	56 052	72 315	72 083	22 903	14 873	15 500
7.4 - ELECTRICITY MARKETING AND CUSTOMER SERVICE	32	–	–	60	65	65	–	250	150
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	–	–	–	–	6 683	6 683	–	–	–
7.7 - ELECTRICITY SUPPORT SERVICES (083)	–	–	–	–	–	–	16	–	16
<b>Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	49 891	45 212	47 811	118 845	203 551	201 404	147 356	174 924	150 192
8.1 - SEWERAGE NETWORKS (034)	34 915	41 591	34 626	65 022	51 260	62 423	67 990	77 007	78 664
8.3 - SEWERAGE PUMPSTATIONS (043)	–	–	94	–	–	–	700	4 100	7 700
8.4 - WATER RURAL AREAS (046)	8 994	2 743	8 595	40 725	114 675	101 400	35 166	38 349	36 736
8.5 - WATER AND SANITATION INFRASTRUCTURE PLANN	–	–	1 559	2 898	2 534	2 499	–	1 500	2 800
8.7 - WATER DISTRIBUTION (060)	4 986	631	1 887	10 200	35 082	35 082	42 050	51 582	20 257
8.9 - SCIENTIFIC SERVICES (062)	996	247	716	–	–	–	1 300	2 310	4 000
8.11 - WATER AND SEWERAGE DISTRIBUTION ACCOUNT	–	–	333	–	–	–	150	75	35
<b>Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	3 922	2 312	5 025	34 684	20 534	23 653	9 031	9 439	11 162
9.1 - URBAN ROADS AND RAIL (022)	3 922	2 312	5 025	34 684	20 534	23 653	9 031	9 439	11 162
<b>Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	–	15 456	–	7 374	7 514	8 492	13 089	25 412	26 651
10.2 - PROCESS CONTROL SYSTEMS (050)	–	–	–	4 974	4 690	4 167	–	4 350	5 500
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	–	–	–	–	–	–	4 501	5 416	4 000
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	–	15 456	–	2 400	2 825	4 325	8 588	15 646	17 151
<b>Vote 11 - OFFICE OF THE MUNICIPAL MANAGER</b>	–	68	49	–	–	–	44	44	78
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	–	68	49	–	–	–	–	–	–
11.2 - MUNICIPAL MANAGER (039)	–	–	–	–	–	–	44	44	78
<b>Capital multi-year expenditure sub-total</b>	<b>72 176</b>	<b>83 211</b>	<b>85 024</b>	<b>287 148</b>	<b>407 311</b>	<b>399 808</b>	<b>242 115</b>	<b>285 719</b>	<b>294 248</b>

**Table A5A - Budgeted Capital Expenditure by vote, Municipal classification – (continued)**

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Capital expenditure - Municipal Vote</b>									
<b>Single-year expenditure appropriation</b>									
<b>Vote 1 - CITY DEVELOPMENT</b>	<b>527</b>	<b>293</b>	<b>1 123</b>	<b>424</b>	<b>617</b>	<b>3 656</b>	<b>-</b>	<b>-</b>	<b>-</b>
1.1 - CITY DEVELOPMENT (013)	188	243	217	5	12	112	-	-	-
1.2 - TOWNSHIP DEVELOPMENT (045)	339	50	906	419	605	3 545	-	-	-
<b>Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY</b>	<b>-</b>	<b>151</b>	<b>495</b>	<b>2 157</b>	<b>2 199</b>	<b>2 268</b>	<b>2 618</b>	<b>2 017</b>	<b>1 728</b>
2.1 - FIRE BRIGADE (005)	-	82	81	369	518	538	1 356	503	1 728
2.2 - TRAFFIC (006)	-	-	-	1 210	597	597	-	-	-
2.4 - HEALTH ADMINISTRATION (008)	-	4	27	122	59	109	77	25	-
2.5 - CLINICS (009)	-	13	198	-	566	565	850	1 489	-
2.6 - CRIME PREVENTION (010)	-	-	-	-	64	64	-	-	-
2.7 - LICENCES TRAFFIC (012)	-	-	6	355	393	393	130	-	-
2.9 - STREET CLEANING (032)	-	53	20	-	-	-	-	-	-
2.10 - REFUSE REMOVAL (033)	-	-	163	101	3	3	205	-	-
<b>Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENT</b>	<b>1 385</b>	<b>814</b>	<b>1 385</b>	<b>9 731</b>	<b>10 033</b>	<b>12 371</b>	<b>719</b>	<b>955</b>	<b>3 773</b>
3.1 - CEMETERY (002)	425	3	129	153	0	0	-	500	-
3.2 - LIBRARY (004)	18	136	194	668	374	383	97	180	1 620
3.4 - PARKS AND GARDENS (023)	-	-	-	400	662	662	350	-	-
3.5 - SPORT DEVELOPMENT AND SPORTSFIELDS (024)	430	644	590	7 372	7 630	9 899	111	-	981
3.6 - STADIUM (025)	491	-	-	-	-	-	-	-	-
3.8 - BEACH FACILITIES (027)	-	14	-	4	-	-	38	115	433
3.9 - SWIMMING POOLS (042)	-	-	333	626	348	408	123	160	439
3.10 - MUSEUMS,ARTS AND CRAFTS (064)	19	-	-	-	11	11	-	-	-
3.11 - PARKS DISTRIBUTION (073)	-	17	139	509	1 009	1 009	-	-	300
<b>Vote 4 - CORPORATE SERVICES - ADMINISTRATION</b>	<b>1 897</b>	<b>518</b>	<b>6 718</b>	<b>6 197</b>	<b>5 916</b>	<b>6 187</b>	<b>2 802</b>	<b>2 252</b>	<b>4 765</b>
4.1 - ADMINISTRATION (001)	-	-	3	136	136	136	123	123	-
4.3 - MUNICIPAL HALLS (016)	6	-	1 225	970	1 137	1 007	600	900	2 500
4.4 - MUNICIPAL BUILDINGS (019)	141	445	1 074	2 473	2 159	2 714	1 310	849	910
4.5 - COUNCIL GENERAL EXPENDITURE (030)	-	-	-	225	225	225	44	44	79
4.8 - IT SERVICES (082)	1 751	73	4 415	2 393	2 259	2 105	725	336	1 276
<b>Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES</b>	<b>-</b>	<b>8</b>	<b>16</b>	<b>21</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.1 - MANAGEMENT SERVICES (014)	-	-	2	-	-	-	-	-	-
5.3 - TRAINING AND INDUSTRIAL RELATIONS (077)	-	8	13	21	5	5	-	-	-
<b>Vote 6 - FINANCIAL SERVICES</b>	<b>152</b>	<b>79</b>	<b>104</b>	<b>3 962</b>	<b>149</b>	<b>109</b>	<b>4 917</b>	<b>-</b>	<b>-</b>
6.2 - FINANCIAL SERVICES (040)	152	58	53	3 962	104	104	4 917	-	-
6.3 - SUPPLY CHAIN MANAGEMENT UNIT (066)	-	22	51	-	45	5	-	-	-

**Table A5A - Budgeted Capital Expenditure by vote, Municipal classification – (continued)**

Vote Description  R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital expenditure - Municipal Vote</b>									
<b>Single-year expenditure appropriation</b>									
<b>Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	<b>704</b>	<b>252</b>	<b>4 760</b>	<b>2 728</b>	<b>2 243</b>	<b>6 111</b>	<b>2 800</b>	<b>13 287</b>	<b>8 209</b>
7.1 - STREET LIGHTING (041)	–	–	200	22	–	3 590	1 000	4 917	–
7.2 - ELECTRICITY ADMINISTRATION (054)	692	–	13	2	13	13	–	–	–
7.3 - ELECTRICITY DISTRIBUTION (055)	–	236	3 312	2 639	1 889	2 197	1 800	8 370	8 209
7.5 - ELECTRICITY DISTRIBUTION ACCOUNT (072)	–	16	2	3	151	151	–	–	–
7.6 - ELECTRICITY PLANNING AND DEVELOPMENT (081)	9	–	1 223	62	53	21	–	–	–
7.7 - ELECTRICITY SUPPORT SERVICES (083)	–	–	10	–	138	138	–	–	–
<b>Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	<b>4 600</b>	<b>1 558</b>	<b>3 790</b>	<b>8 768</b>	<b>8 196</b>	<b>10 344</b>	<b>50</b>	<b>–</b>	<b>–</b>
8.1 - SEWERAGE NETWORKS (034)	704	–	902	487	840	2 417	–	–	–
8.3 - SEWERAGE PUMPSTATIONS (043)	1 744	270	174	143	1 083	1 083	–	–	–
8.4 - WATER RURAL AREAS (046)	(2 348)	–	1 075	–	–	–	–	–	–
8.5 - WATER AND SANITATION INFRASTRUCTURE PLANNING (047)	–	–	255	25	25	60	–	–	–
8.6 - WATER PURIFICATION WORKS (059)	–	96	–	–	–	–	–	–	–
8.7 - WATER DISTRIBUTION (060)	4 220	1 115	888	147	42	42	50	–	–
8.9 - SCIENTIFIC SERVICES (062)	279	32	493	2 043	2 064	2 064	–	–	–
8.10 - INDUSTRIAL EFFLUENT PIPELINE (063)	–	–	–	–	–	–	–	–	–
8.11 - WATER AND SEWERAGE DISTRIBUTION ACCOUNT (064)	–	45	2	694	558	558	–	–	–
8.12 - SEWERAGE PUMPSTATIONS DISTRIBUTION ACCOUNT (065)	–	–	–	5 230	3 585	4 120	–	–	–
<b>Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	<b>4 647</b>	<b>(75)</b>	<b>1 998</b>	<b>2 741</b>	<b>8 078</b>	<b>5 466</b>	<b>770</b>	<b>400</b>	<b>3 423</b>
9.1 - URBAN ROADS AND RAIL (022)	4 647	(79)	1 998	2 741	8 078	5 466	770	400	3 423
9.2 - RURAL ROADS (056)	–	–	–	–	–	–	–	–	–
9.3 - ROADS AND STORMWATER DISTRIBUTION (068)	–	4	–	–	–	–	–	–	–
9.4 - RAILWAY SIDINGS (069)	–	–	–	–	–	–	–	–	–
<b>Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES</b>	<b>88</b>	<b>66</b>	<b>9 604</b>	<b>14 683</b>	<b>22 919</b>	<b>21 436</b>	<b>2 648</b>	<b>4 174</b>	<b>4 727</b>
10.1 - ENGINEERING SERVICES (038)	–	–	20	1	24	24	–	–	–
10.2 - PROCESS CONTROL SYSTEMS (050)	–	39	2 060	292	508	1 031	–	–	1 550
10.3 - PROJECT MANAGEMENT (065)	–	–	31	18	–	–	–	–	–
10.4 - MECHANICAL SERVICES (067)	–	–	10	7	–	–	–	–	–
10.5 - EQUIPMENT DISTRIBUTION ACCOUNT (070)	–	–	–	7 058	6 712	7 619	–	–	3 177
10.6 - VEHICLE DISTRIBUTION ACCOUNT (071)	88	28	7 482	7 308	15 574	12 662	2 648	4 174	–
10.8 - RADIO EQUIPMENT ACCOUNT (076)	–	–	–	–	100	100	–	–	–
<b>Vote 11 - OFFICE OF THE MUNICIPAL MANAGER</b>	<b>–</b>	<b>166</b>	<b>22</b>	<b>154</b>	<b>225</b>	<b>225</b>	<b>–</b>	<b>–</b>	<b>–</b>
11.1 - OFFICE OF THE MUNICIPAL MANAGER (011)	–	166	22	4	–	–	–	–	–
11.2 - MUNICIPAL MANAGER (039)	–	–	–	150	225	225	–	–	–
<b>Capital single-year expenditure sub-total</b>	<b>14 000</b>	<b>3 831</b>	<b>30 012</b>	<b>51 565</b>	<b>60 579</b>	<b>68 176</b>	<b>17 323</b>	<b>23 084</b>	<b>26 624</b>
<b>Total Capital Expenditure</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>

Table 27 MBRR Table A6 - Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	39 559	77 214	202 775	209 208	222 838	222 838	187 446	270 464	311 849
Call investment deposits	–	80 000	40 000	100 000	150 000	150 000	150 000	150 000	200 000
Consumer debtors	127 854	185 750	239 463	189 385	237 388	237 388	256 385	278 096	301 582
Other debtors	20 273	30 440	42 920	23 168	23 168	23 168	25 114	27 224	29 510
Current portion of long-term receivables	251	157	111	117	117	117	44	48	51
Inventory	81 263	65 665	74 703	84 323	84 323	84 323	89 550	94 835	99 576
<b>Total current assets</b>	<b>269 200</b>	<b>439 226</b>	<b>599 972</b>	<b>606 201</b>	<b>717 834</b>	<b>717 834</b>	<b>708 539</b>	<b>820 666</b>	<b>942 568</b>
<b>Non current assets</b>									
Long-term receivables	508	446	357	392	392	392	166	175	185
Investment property	123 516	132 532	133 157	131 671	131 671	131 671	132 054	131 512	130 969
Property, plant and equipment	4 472 425	4 349 769	4 106 307	4 367 285	4 479 218	4 479 218	4 234 217	4 277 412	4 356 916
Intangible	7 842	6 779	10 545	12 246	10 765	10 765	8 482	22 075	47 058
<b>Total non current assets</b>	<b>4 604 292</b>	<b>4 489 526</b>	<b>4 250 366</b>	<b>4 511 594</b>	<b>4 622 046</b>	<b>4 622 046</b>	<b>4 374 919</b>	<b>4 431 173</b>	<b>4 535 129</b>
<b>TOTAL ASSETS</b>	<b>4 873 492</b>	<b>4 928 751</b>	<b>4 850 338</b>	<b>5 117 795</b>	<b>5 339 880</b>	<b>5 339 880</b>	<b>5 083 458</b>	<b>5 251 839</b>	<b>5 477 697</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Borrowing	81 205	94 791	106 224	109 141	106 676	106 676	122 938	128 273	131 617
Consumer deposits	36 559	38 919	39 779	41 098	41 098	41 098	43 646	46 221	48 763
Trade and other payables	225 189	285 226	364 078	368 639	368 639	368 639	381 429	397 068	412 507
Provisions	18 329	20 270	23 317	21 668	24 716	24 716	26 394	28 083	29 881
<b>Total current liabilities</b>	<b>361 282</b>	<b>439 207</b>	<b>533 399</b>	<b>540 546</b>	<b>541 129</b>	<b>541 129</b>	<b>574 408</b>	<b>599 645</b>	<b>622 768</b>
<b>Non current liabilities</b>									
Borrowing	750 237	732 522	625 250	722 333	724 032	724 032	686 593	648 320	641 704
Provisions	189 391	218 332	204 419	230 121	233 332	233 332	249 175	265 122	282 090
<b>Total non current liabilities</b>	<b>939 628</b>	<b>950 854</b>	<b>829 668</b>	<b>952 454</b>	<b>957 364</b>	<b>957 364</b>	<b>935 768</b>	<b>913 443</b>	<b>923 794</b>
<b>TOTAL LIABILITIES</b>	<b>1 300 910</b>	<b>1 390 060</b>	<b>1 363 067</b>	<b>1 493 000</b>	<b>1 498 492</b>	<b>1 498 492</b>	<b>1 510 176</b>	<b>1 513 088</b>	<b>1 546 562</b>
<b>NET ASSETS</b>	<b>3 572 582</b>	<b>3 538 691</b>	<b>3 487 271</b>	<b>3 624 795</b>	<b>3 841 388</b>	<b>3 841 388</b>	<b>3 573 283</b>	<b>3 738 751</b>	<b>3 931 135</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	3 518 303	3 481 844	3 436 965	3 572 499	3 707 704	3 707 704	3 465 460	3 623 343	3 802 639
Reserves	54 279	56 848	50 306	52 296	133 684	133 684	107 823	115 408	128 496
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 572 582</b>	<b>3 538 691</b>	<b>3 487 271</b>	<b>3 624 795</b>	<b>3 841 388</b>	<b>3 841 388</b>	<b>3 573 283</b>	<b>3 738 751</b>	<b>3 931 135</b>

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 69 is supported by an extensive table of notes (SA3 which can be found on page 145) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 28 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	1 209 342	1 434 822	1 709 543	1 738 491	1 923 667	1 923 667	2 036 796	2 207 542	2 392 693
Government - operating	153 373	182 413	192 367	219 635	236 994	236 594	260 509	272 068	287 010
Government - capital	33 301	49 130	123 981	93 697	242 652	242 652	119 456	157 879	122 907
Interest	3 849	5 652	10 023	4 152	11 773	11 773	12 147	12 785	13 458
<b>Payments</b>									
Suppliers and employees	(1 195 582)	(1 395 345)	(1 682 493)	(1 746 424)	(1 933 072)	(1 930 983)	(2 023 834)	(2 163 278)	(2 330 759)
Finance charges	(88 508)	(82 481)	(65 436)	(75 538)	(73 038)	(73 038)	(77 614)	(78 455)	(76 574)
Transfers and Grants	(1 144)	(1 177)	(1 373)	(2 018)	(2 194)	(1 994)	(2 999)	(3 203)	(3 435)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>114 631</b>	<b>193 014</b>	<b>286 612</b>	<b>231 995</b>	<b>406 782</b>	<b>408 671</b>	<b>324 461</b>	<b>405 338</b>	<b>405 300</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	19 613	-	22 583	10 000	10 000	10 000	10 000	10 000	10 000
Decrease (increase) other non-current receivables	230	155	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(80 000)	(28 989)	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(85 895)	(75 311)	(113 208)	(237 742)	(315 248)	(315 304)	(334 248)	(294 047)	(317 298)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(66 052)</b>	<b>(155 156)</b>	<b>(119 614)</b>	<b>(227 742)</b>	<b>(305 248)</b>	<b>(305 304)</b>	<b>(324 248)</b>	<b>(284 047)</b>	<b>(307 298)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Borrowing long term/refinancing	-	78 000	-	100 000	100 000	100 000	85 500	90 000	125 000
Increase (decrease) in consumer deposits	6 009	2 360	3 777	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	(75 271)	(80 563)	(79 095)	(109 092)	(109 092)	(109 092)	(122 938)	(128 273)	(131 617)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(69 262)</b>	<b>(203)</b>	<b>(75 318)</b>	<b>(9 092)</b>	<b>(9 092)</b>	<b>(9 092)</b>	<b>(37 438)</b>	<b>(38 273)</b>	<b>(6 617)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(20 683)</b>	<b>37 655</b>	<b>91 680</b>	<b>(4 839)</b>	<b>92 442</b>	<b>94 275</b>	<b>(37 225)</b>	<b>83 018</b>	<b>91 385</b>
Cash/cash equivalents at the year begin:	60 242	39 559	77 214	280 396	280 396	280 396	374 671	337 446	420 464
Cash/cash equivalents at the year end:	39 559	77 214	168 894	275 557	372 838	374 671	337 446	420 464	511 849

Table 29 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	39 559	77 214	168 894	275 557	372 838	374 671	337 446	420 464	511 849
Other current investments > 90 days	(0)	80 000	73 881	33 651	-	(1 833)	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>39 559</b>	<b>157 214</b>	<b>242 775</b>	<b>309 208</b>	<b>372 838</b>	<b>372 838</b>	<b>337 446</b>	<b>420 464</b>	<b>511 849</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	24 470	47 516	113 803	116 357	116 357	116 357	116 357	116 357	116 357
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	(4 560)	(7 717)	(16 014)	2 685	2 685	2 685	(21 483)	(24 281)	(23 594)
Other working capital requirements	54 421	26 477	(22 526)	40 911	(10 258)	(10 258)	(8 188)	(15 719)	(25 348)
Other provisions	18 329	20 270	23 317	21 668	24 716	24 716	26 394	28 083	29 881
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	52 296	133 684	133 684	107 823	115 408	128 496
<b>Total Application of cash and investments:</b>	<b>92 660</b>	<b>86 546</b>	<b>98 580</b>	<b>233 917</b>	<b>267 184</b>	<b>267 184</b>	<b>220 903</b>	<b>219 848</b>	<b>225 792</b>
<b>Surplus(shortfall)</b>	<b>(53 101)</b>	<b>70 668</b>	<b>144 196</b>	<b>75 291</b>	<b>105 654</b>	<b>105 654</b>	<b>116 543</b>	<b>200 616</b>	<b>286 057</b>



**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the City improved significantly over the 2010/11 to 2014/15 period and the years thereafter owing directly to a myriad of cash flow interventions introduced over the past 5 years.
4. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R 374 million as at the end of the 2014/15 financial year and escalates to R 420 million by 2015/16.

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

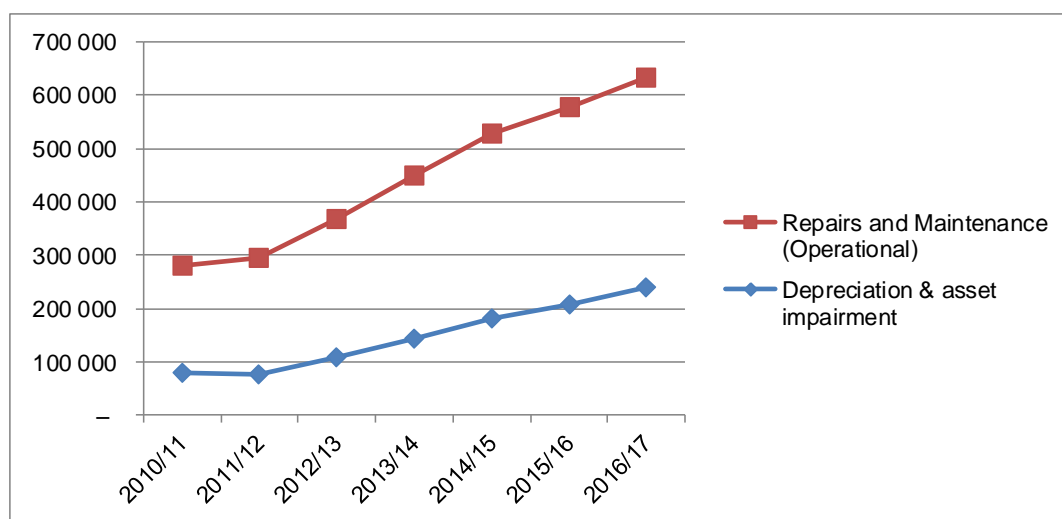
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2010/11 to 2014/15 the deficit improved from R53 million (deficit) to R117 million (surplus).
6. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 30 MBRR Table A9 - Asset Management

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>86 094</b>	<b>61 855</b>	<b>52 847</b>	<b>162 565</b>	<b>290 493</b>	<b>290 486</b>	<b>151 607</b>	<b>140 643</b>	<b>140 144</b>
Infrastructure - Road transport	8 539	2 615	6 782	23 829	11 097	11 797	1 620	2 336	4 223
Infrastructure - Electricity	17 089	(2 542)	3 993	28 866	46 054	64 996	12 080	13 500	12 179
Infrastructure - Water	17 551	3 471	3 412	22 219	150 384	88 831	57 766	37 049	34 086
Infrastructure - Sanitation	36 991	41 507	32 115	54 843	40 478	53 603	59 540	65 347	68 564
Infrastructure - Other	(237)	—	—	4 800	4 800	4 800	2 000	2 800	—
Infrastructure	79 933	45 050	46 301	134 558	252 812	224 026	133 006	121 033	119 052
Community	926	—	167	7 140	7 955	33 809	17 233	9 950	12 553
Heritage assets	19	—	—	—	—	—	—	—	—
Other assets	5 216	16 212	6 318	20 816	29 630	32 555	1 308	9 410	8 539
Intangibles	—	593	61	50	96	96	60	250	—
<b>Total Renewal of Existing Assets</b>	<b>82</b>	<b>25 187</b>	<b>62 189</b>	<b>176 149</b>	<b>177 397</b>	<b>177 498</b>	<b>107 831</b>	<b>168 161</b>	<b>180 728</b>
Infrastructure - Road transport	14	(79)	964	12 892	17 345	17 151	7 617	7 300	10 150
Infrastructure - Electricity	(96)	10 800	12 599	36 271	42 664	23 774	17 503	14 910	17 934
Infrastructure - Water	(424)	1 227	10 834	32 774	2 989	50 656	19 500	54 382	25 707
Infrastructure - Sanitation	372	408	3 629	16 353	16 504	16 069	9 000	15 600	17 500
Infrastructure - Other	—	—	—	3 068	3	3	—	—	1 500
Infrastructure	(133)	12 356	28 026	101 358	79 505	107 652	53 620	92 192	72 791
Community	54	1 352	9 865	27 723	54 792	29 276	9 643	16 239	22 609
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	8 309	2 258	—	—	—	—	—	—
Other assets	161	1 600	16 677	44 285	41 905	39 375	43 569	44 730	60 052
Intangibles	—	1 570	5 363	2 782	1 195	1 195	1 000	15 000	25 276
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	8 553	2 536	7 746	36 721	28 441	28 947	9 237	9 636	14 373
Infrastructure - Electricity	16 993	8 258	16 592	65 138	88 718	88 769	29 583	28 410	30 113
Infrastructure - Water	17 127	4 697	14 246	54 993	153 372	139 486	77 266	91 431	59 793
Infrastructure - Sanitation	37 363	41 915	35 743	71 196	56 982	69 672	68 540	80 947	86 064
Infrastructure - Other	(237)	—	—	7 868	4 803	4 803	2 000	2 800	1 500
Infrastructure	79 800	57 407	74 327	235 917	332 317	331 678	186 626	213 225	191 843
Community	980	1 352	10 032	34 863	62 747	63 085	26 876	26 189	35 162
Heritage assets	19	—	—	—	—	—	—	—	—
Investment properties	—	8 309	2 258	—	—	—	—	—	—
Other assets	5 377	17 812	22 995	65 102	71 535	71 930	44 876	54 140	68 591
Intangibles	—	2 163	5 424	2 832	1 291	1 291	1 060	15 250	25 276
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	1 279 877	1 196 016	1 116 603	1 140 775	1 131 866	1 131 866	982 526	950 626	897 135
Infrastructure - Electricity	336 627	321 393	353 183	393 743	414 619	414 619	422 547	515 602	523 161
Infrastructure - Water	1 219 951	1 244 190	1 043 190	1 108 482	1 201 274	1 201 274	1 173 511	894 408	889 175
Infrastructure - Sanitation	594 646	599 705	612 600	658 854	644 346	644 346	651 550	750 864	799 798
Infrastructure - Other	567 182	551 280	540 666	554 467	551 554	551 554	545 596	552 637	553 900
Infrastructure	3 998 283	3 912 584	3 666 242	3 856 320	3 943 659	3 943 659	3 775 729	3 664 136	3 663 169
Community	214 845	202 075	196 246	222 368	248 050	248 050	233 932	285 317	310 847
Heritage assets	69	69	69	69	69	69	2 491	2 491	2 491
Investment properties	123 516	132 532	133 157	131 671	131 671	131 671	132 054	131 512	130 969
Other assets	259 229	235 042	243 750	288 528	287 441	287 441	222 065	325 467	380 408
Intangibles	7 842	6 779	10 545	12 246	10 765	10 765	8 482	22 075	47 058
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>4 603 784</b>	<b>4 489 080</b>	<b>4 250 009</b>	<b>4 511 202</b>	<b>4 621 654</b>	<b>4 621 654</b>	<b>4 374 753</b>	<b>4 430 998</b>	<b>4 534 944</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation &amp; asset impairment</b>	<b>79 050</b>	<b>78 242</b>	<b>108 389</b>	<b>145 218</b>	<b>145 218</b>	<b>145 218</b>	<b>182 390</b>	<b>207 970</b>	<b>239 935</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>201 893</b>	<b>216 531</b>	<b>258 480</b>	<b>293 170</b>	<b>303 858</b>	<b>303 858</b>	<b>344 780</b>	<b>368 032</b>	<b>394 086</b>
Infrastructure - Road transport	41 550	41 967	58 242	71 075	75 576	75 576	88 799	94 952	101 974
Infrastructure - Electricity	35 920	39 211	42 715	60 251	60 715	60 715	66 048	70 572	75 487
Infrastructure - Water	36 286	39 004	46 869	45 078	48 213	48 213	51 156	54 599	58 343
Infrastructure - Sanitation	24 401	23 588	25 976	27 459	30 223	30 223	33 744	36 098	38 606
Infrastructure - Other	1 270	1 421	3 517	1 197	1 265	1 265	1 216	1 305	1 406
Infrastructure	139 427	145 192	177 319	205 060	215 991	215 991	240 963	257 526	275 816
Community	38 022	43 195	50 821	53 633	53 749	53 749	60 930	65 865	69 694
Other assets	24 444	28 144	30 340	34 477	34 118	34 118	42 888	44 641	48 576
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>280 943</b>	<b>294 774</b>	<b>366 869</b>	<b>438 388</b>	<b>449 076</b>	<b>449 076</b>	<b>527 170</b>	<b>576 002</b>	<b>634 021</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>0.1%</b>	<b>28.9%</b>	<b>54.1%</b>	<b>52.0%</b>	<b>37.9%</b>	<b>37.9%</b>	<b>41.6%</b>	<b>54.5%</b>	<b>56.3%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>0.1%</b>	<b>32.2%</b>	<b>57.4%</b>	<b>121.3%</b>	<b>122.2%</b>	<b>122.2%</b>	<b>59.1%</b>	<b>80.9%</b>	<b>75.3%</b>
<b>R&amp;M as a % of PPE</b>	<b>4.5%</b>	<b>5.0%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>6.8%</b>	<b>6.8%</b>	<b>8.1%</b>	<b>8.6%</b>	<b>9.0%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>4.0%</b>	<b>5.0%</b>	<b>8.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>12.0%</b>	<b>13.0%</b>

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The City meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the City's strategy to address the maintenance backlog.



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Depreciation & asset impairment	79 050	78 242	108 389	145 218	182 390	207 970	239 935
Repairs and Maintenance (Operational)	201 893	216 531	258 480	303 858	344 780	368 032	394 086

**Figure 4 Depreciation in relation to repairs and maintenance over the MTREF**

**Table 31 MBRR Table A10 - Basic Service Delivery Measurement**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	35 247	35 563	35 752	35 752	35 752	35 752	35 752	35 752	35 752
Piped water inside yard (but not in dwelling)	32 150	34 087	35 619	39 619	39 619	39 619	41 619	41 619	41 619
Using public tap (at least min.service level)	3 439	2 010	1 039	1 039	1 039	1 039	1 039	1 039	1 039
Other water supply (at least min.service level)	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	70 836	71 660	72 410	76 410	76 410	76 410	78 410	78 410	78 410
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	3 433	2 609	14 199	10 199	10 199	10 199	8 199	8 199	8 199
No water supply	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	3 433	2 609	14 199	10 199	10 199	10 199	8 199	8 199	8 199
<b>Total number of households</b>	<b>74 269</b>	<b>74 269</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	32 605	32 605	32 605	32 605	32 605	32 605	32 605	32 605	32 605
Flush toilet (with septic tank)	—	—	—	—	—	—	—	—	—
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	11 908	15 445	33 152	33 152	33 152	33 152	33 152	33 152	33 152
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	44 513	48 050	65 757	65 757	65 757	65 757	65 757	65 757	65 757
Bucket toilet	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	29 756	26 219	20 852	20 852	20 852	20 852	20 852	20 852	20 852
No toilet provisions	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	29 756	26 219	20 852	20 852	20 852	20 852	20 852	20 852	20 852
<b>Total number of households</b>	<b>74 269</b>	<b>74 269</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>	<b>86 609</b>
<b>Energy:</b>									
Electricity (at least min.service level)	2 800	—	2 200	2 200	2 200	2 200	2 200	2 200	2 200
Electricity - prepaid (min.service level)	—	—	32 000	32 300	32 300	32 300	33 900	33 900	33 900
Minimum Service Level and Above sub-total	2 800	—	34 200	34 500	34 500	34 500	36 100	36 100	36 100
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	67 000	71 300	71 300	71 300	76 000	76 000	76 000
Other energy sources	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	67 000	71 300	71 300	71 300	76 000	76 000	76 000
<b>Total number of households</b>	<b>2 800</b>	<b>—</b>	<b>101 200</b>	<b>105 800</b>	<b>105 800</b>	<b>105 800</b>	<b>112 100</b>	<b>112 100</b>	<b>112 100</b>
<b>Refuse:</b>									
Removed at least once a week	45 000	—	60 000	62 000	62 000	62 000	64 000	66 000	66 000
Minimum Service Level and Above sub-total	45 000	—	60 000	62 000	62 000	62 000	64 000	66 000	66 000
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	11 000	—	—	—	—	—	—	—	—
No rubbish disposal	—	—	26 000	24 000	24 000	24 000	22 000	20 000	20 000
Below Minimum Service Level sub-total	11 000	—	26 000	24 000	24 000	24 000	22 000	20 000	20 000
<b>Total number of households</b>	<b>56 000</b>	<b>—</b>	<b>86 000</b>	<b>86 000</b>	<b>86 000</b>	<b>86 000</b>	<b>86 000</b>	<b>86 000</b>	<b>86 000</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	74 269	74 269	86 609	86 609	86 609	86 609	86 609	86 609	86 609
Sanitation (free minimum level service)	11 908	15 445	20 852	20 852	20 852	20 852	20 852	20 852	20 852
Electricity/other energy (50kwh per household per month)	2 600	—	2 200	2 200	2 200	2 200	2 200	2 200	2 200
Refuse (removed at least once a week)	12	—	12	12	12	12	—	—	—
<b>Cost of Free Basic Services provided (R'000)</b>									
Water (6 kilolitres per household per month)	—	—	41 032	44 963	44 963	44 963	44 963	44 963	44 963
Sanitation (free sanitation service)	—	—	1 173	12 849	12 849	12 849	12 849	12 849	12 849
Electricity/other energy (50kwh per household per month)	—	—	7 192	7 511	7 511	7 511	7 511	7 511	7 511
Refuse (removed once a week)	7 791	—	12 486	13 672	13 672	13 672	15 122	16 846	16 846
<b>Total cost of FBS provided (minimum social package)</b>	<b>7 791</b>	<b>—</b>	<b>61 883</b>	<b>78 995</b>	<b>78 995</b>	<b>78 995</b>	<b>80 445</b>	<b>82 169</b>	<b>82 169</b>
<b>Highest level of free service provided</b>									
Property rates (R value threshold)	—	—	75 000	110 000	110 000	110 000	110 000	110 000	110 000
Water (kilolitres per household per month)	—	—	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	—	—	20	20	20	20	20	20	20
Sanitation (Rand per household per month)	—	—	116	125	125	125	125	125	125
Electricity (kwh per household per month)	50	—	50	50	50	50	50	50	50
Refuse (average litres per week)	2 916	—	240	240	240	240	240	240	240
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	—	—	3 000	3 150	3 150	3 150	3 308	3 308	3 308
Property rates (other exemptions, reductions and rebates)	—	—	3 309	18 944	18 944	18 944	18 944	18 944	18 944
Water	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—
Electricity/other energy	—	—	—	—	—	—	—	—	—
Refuse	7 791	—	3 349	3 516	3 516	3 516	3 692	3 877	3 877
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
<b>Total revenue cost of free services provided (total social package)</b>	<b>7 791</b>	<b>—</b>	<b>9 658</b>	<b>25 610</b>	<b>25 610</b>	<b>25 610</b>	<b>25 944</b>	<b>26 129</b>	<b>26 129</b>

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City continues to make progress with the eradication of backlogs:
  - a. Water services – the backlog will be reduced by over 2000 households in 2014/15. These households are largely found in traditional areas.
  - b. Sanitation services – backlog will be reduced by over 15 000 households over the MTREF. The number of households with no toilet provision will be reduced by 5 000 households in 2014/15.
  - c. Electricity services –
  - d. Refuse services – In 2014/15 the target is 2500 rural houses, 2000 in 2015/16 and 2000 additional houses in 2016/17 based on current resources. These are additional households that will be serviced in order to decrease the backlogs in the rural areas. It must be noted that the backlog within uMhlathuze is in rural areas only; the formal developed areas have 100% waste collection. The target stated above is for rural areas and based on current budget limit and road conditions in which the service is supposed to be provided, but those targets will be reviewed in 2015/16 in line with Draft Municipal Waste Management Strategic Plan which is aiming at drastically eliminating backlog by June 2018.
3. The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2014/15 MTREF. The cost of free basic services amounts to R80,4 million. It needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.

## 2 Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the following Councillors and officials:

- Mayor
- Deputy Mayor
- Speaker
- Chief Whip
- Municipal Manager
- Chief Financial Officer – Chairperson
- Deputy Municipal Managers
- Any other official on invitation

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled at the Finance Portfolio Committee the required the budget time schedule on 20 August 2013. The report was subsequently tabled at Council on 25 September 2013. Key dates applicable to the process were:

- **August 2013** – Joint strategic planning session of the Financial Services Management team and the Budget Office. Aim: to assess Council's 2012/13 Financial Statements and current year's (2013/14) revised results and capacity, to determine the impact on future strategies and budgets;
- **September 2013** – Issuing of the 2014/15 Medium Term Revenue and Expenditure Framework (MTREF) guideline addressing various budget assumptions, internal budget

- processes, policies and requirements in terms of the Municipal Budgeting and Reporting Regulations etc;
- **November 2013** - Submission of the Adjusted Capital and Operating Budget for the 2013/ 2014 Medium Term Revenue and Expenditure Framework Plan (MTTREF), analysed according to activities aligned to Council's strategic objectives, as set out in the draft IDP as well as the Capital and Operating Budget for the 2014/ 2015 Medium Term Revenue and Expenditure Framework Plan (MTTREF);
  - **28 January 2014** - Council considers the 2015/16 Mid-year Review;
  - **5 to 6 February 2014** – National Treasury's Mid-year Budget and Performance Assessment Visit;
  - **7 February 2014** – Budget Steering Committee to discuss Adjustment Budget proposals and the 2014/15;
  - **27 March 2014** - Tabling in Council of the draft 2014/15 IDP and 2014/15 MTREF for public consultation;
  - **April 2014** – Public consultation;
  - **May 2014** – National Treasury's 2014/15 Tabled MTREF Engagement and Municipal Benchmarking Exercise;
  - **2 May 2014** - Closing date for written comments;
  - **3 to 21 May 2014** – finalisation of the 2014/15 IDP and 2014/15 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
  - **27 May 2014** - Tabling of the 2014/15 MTREF before Council for consideration and approval.

It is anticipated that there will be no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

This is the third review of the IDP as adopted by Council in May 2011. It started in September 2013 after the tabling of the IDP Process Plan for the 2014/15 MTREF on 25 September 2013 (**DMS 891756**).

The City's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the third revision cycle included the following key IDP processes and deliverables:

- Draft IDP assessments;
- MEC panel comments;
- Self-assessment;
- New Council priorities;
- New policies and legislation;
- Inclusion of new information;
- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;

- Compilation of the SDBIP; and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjusted budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and second quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2014/15 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 70 and 72 has been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The 2014/15 MTREF that will be tabled before Council on 27 March 2014 will be presented to the community for consultation.

An insert will be included in the local newspapers highlighting the Tabled 2014/15 Medium Term Revenue and Expenditure Framework (MTREF) thereby inviting comments from the public.

Furthermore, the Executive Committee will approve a schedule of public meetings to be held at various locations to provide an opportunity for the public to comment on the budget.

A meeting is also scheduled with the AmaKhosi and their leadership in order to strengthen Council's relationship with traditional leaders.



The dual approach that provides for the engagement of Ward Committees firstly and thereafter the broad community, proved to be a success in the previous 6 years' budget public participation processes. It created a sense of ownership and belonging to the Ward Committees and allowed them to assist in various ways during the process of broader community participation.

The administrative planning process also took into consideration the cluster approach that was used in the previous 6 years' budget public participation. The advantage and benefit for the use of clusters is that it creates a shared sense of belonging amongst the citizens as well as an understanding of the diverse issues and needs amongst the community of the Municipality.

The following table sets out the meetings that are proposed prepared by the Community Facilitation section for the 2014/15 budget public participation meetings:

CLUSTER	WARDS	VENUE	PROPOSED DATE	TIME
	Amakhosi	R/Bay Civic Centre (Auditorium)	2 April 2014 (Wednesday)	10:00
1	Ward Committees	R/Bay Civic Centre (Auditorium)	3 April 2014 (Thursday)	17:00
12	Stakeholders	R/Bay Civic Centre (Council Chambers)	4 April 2014 (Friday)	09:00
8	15, 16, 17, 21, 22	eSikhaleni College	5 April 2014 (Saturday)	14:00
10 & 11	24, 25, 27, 28, 29	Ngwelezane Community Hall	Joint Budget Road show with uThungulu 6 April 2014 (Sunday)	14:00
6	9, 23, portion 24	Empangeni Town Hall	9 April 2014 (Wednesday)	17:00
5	1, 2, 3, 4, 26	R/Bay Civic Centre (Auditorium)	10 April 2014 (Thursday)	17:00
4	10, 11, 30	Vulindlela Hall	12 April 2014 (Saturday)	14:00
7	12, 13, 14	Mandlankala Community Hall	13 April 2014 (Sunday)	14:00
9	18, 19, 20	Hlanganani Community Hall	26 April 2014 (Saturday)	14:00
2 & 3	5, 6, 7 & 8	Emayini Sportsfield	27 April 2014 (Sunday)	14:00

**Table 32 Proposed dates for the 2014/15 budget public participation meetings**

**The above dates are in draft and will be amended accordingly.**

The programme is an endeavour to ensure maximum participation, particularly by Council's role-players. The programme is rigorous, extensive and gruelling due to time constraints as

previously mentioned, largely exacerbated by public holidays that in the main create extended weekends that would make it difficult to hold meetings on those days, i.e. Easter Weekend, Freedom Day and Workers' Day etc.

The Tabled Budget will also be published on the municipality's website, and detailed copies of the 2014/15 Medium Term Revenue and Expenditure Framework (MTREF) will be made available for inspection at all municipal offices and libraries within the City of uMhlathuze.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions that will be received during the community consultation process will be addressed, and where relevant considered as part of the finalisation of the 2014/15 MTREF. Feedback and responses to the submissions received will be available.

## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual report.

Below are the table which shows the link between IDP, Budget and National and Provincial objectives.

**Table 33 Link between Budget and National and Provincial Macroeconomic Objectives**

National KPA	uMhlathuze Strategies	uMhlathuze Mission	MDG	National Plan Priorities	12 National Outcomes	5 National Priorities	PGDS Goals
Good Governance and Public Participation	Good Governance		Develop a Global Partnership for Development	Inclusive Planning	Responsive, accountable, effective and efficient local government system	Nation Building and Good Governance	Governance and Policy
				Unite the Nation Fight Corruption			
Basic Service Delivery and Infrastructure Provision	Sustainable Infrastructure and Service Delivery			Expand Infrastructure	An efficient, competitive and responsive infrastructure network		Strategic Infrastructure
		Planned Rural Development Interventions			Vibrant, equitable, sustainable rural communities contributing towards food security for all		
		Maintaining Consistent Spatial Development			Sustainable human settlements and improved quality of household life		Spatial Equity
		Commitment to Sustainable Environmental Management	Ensure environmental sustainability		Protect and enhance our environmental assets and natural resources		Response to Climate Change
Local Economic Development	Social and Economic Development	Job Creation through Economic Development	Eradicate extreme Poverty and Hunger	Create Jobs		Job Creation	Job Creation
		Improve Citizens Skills Levels and Education	Achieve Universal Primary Education	Quality Education	Skilled and capable workforce to support an inclusive growth path	Education	
					Quality basic education		
		Improve Quality of Citizens Health	Combat HIV/Aids, malaria and other diseases Reduce Child Mortality	Quality Healthcare	A long and healthy life for all South Africans	Health	
		Planned Rural Development Interventions			Decent employment through inclusive economic growth	Rural development, food security and land reform	
		Creation of Secure and Friendly City through Fighting Crime	Promote Gender Equality and Empower Women		All people in South Africa are and feel safe	Fighting crime and corruption	
Municipal Institutional Development and Transformation	Institutional Development			Build a Capable State	Create a better South Africa, a better Africa, and a better world		Human Resource Development
					An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship		Human and Community Development
Municipal Financial Viability and Management	Sound Financial Management			Use Resources Properly			

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 34 MBRR SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand											
Good Governance	Office of the Municipal Manager	–	–	2 473	1 873	2 685	2 685	2 138	2 288	2 447	
	Corporate Services	1 655	1 459	1 698	839	1 336	1 336	1 553	1 660	1 773	
	Councillors	–	268	228	105	565	565	165	177	189	
	Councillors support and Public participation services	1 228	3 509	–	–	–	–	–	–	–	
	Fire and Rescue Services	692	1 149	1 464	875	899	899	581	621	664	
	Licensing (Vehicles)	7 714	9 449	9 919	9 309	9 870	9 870	10 057	10 761	11 523	
	Traffic Operations and Administration	2 409	3 441	11 136	10 726	9 746	9 746	9 146	9 786	10 470	
	Security Services (Crime prevention and CCTV System)	529	381	–	–	–	–	–	–	–	
	Disaster Management	8	–	–	–	–	–	–	–	–	
Sustainable Infrastructure and	Water and sanitation	366 603	380 665	470 210	498 429	590 198	590 198	578 409	645 992	650 625	
	Scientific Services	5 581	5 188	6 008	6 625	7 177	7 177	8 425	10 652	10 998	
	Water Demand Management and Strategy	–	–	837	–	–	–	–	–	–	
	Electricity Supply Services	778 980	970 954	1 133 941	1 148 613	1 323 195	1 323 195	1 400 658	1 514 492	1 633 643	
	Transport,Roads and Stormwater	935	1 133	2 263	1 535	1 535	1 535	1 826	1 141	1 220	
	Solid Waste Management	52 482	61 322	69 353	86 518	87 843	87 843	103 275	112 873	121 074	
	Primary Health (Clinic Services)	4 529	4 819	4 842	5	6 883	6 883	7 296	7 733	8 197	
	Public Health and pollution control	1 326	4 345	4 401	4 863	4 871	4 871	4 871	4 872	4 873	
	Engineering support services	86	127	60	71	42	42	32	34	37	
	Fleet management services	47	327	85	223	223	223	234	245	258	
	Process Control System	–	–	–	11	11	11	11	12	12	
	Municipal Buildings and Structures	–	–	6	–	–	–	–	–	–	
	Biodiversity (Cemeteries) and Conservation	445	434	444	512	482	482	507	542	580	
	Sport and recreation development	4 141	4 380	6 017	9 844	12 395	12 395	2 311	2 472	2 644	
	Public Libraries	1 006	3 713	3 619	6 865	6 855	6 855	7 055	7 478	8 098	
	Museums	95	127	136	150	150	150	307	323	340	
	Community halls and Thusong centres	449	503	354	486	456	456	338	361	385	
	Social and Economic	Marketing and Tourism	439	8 851	2 755	450	450	450	441	472	505
		Urban and Rural Planning	5 855	19 705	14 310	5 270	5 401	5 401	2 645	3 321	3 433
		Human Settlement Programme	3 499	2 909	9 042	1 020	34 524	34 524	8 226	4 954	4 187
Economic Development Facilitation		–	–	–	–	–	–	–	–	–	
Public Transport facilities and operations coordination		–	–	27	3 005	7 428	7 428	5	6	6	
Institutional Development	Human Resources and Industrial Relation Services	2 842	3 837	3 433	2 764	2 364	2 364	1 842	1 970	2 108	
	Information communication and Technology services	362	(99)	947	731	1 077	1 077	1 426	2 011	2 026	
Sound Financial Management	Revenue	193 192	220 449	280 077	289 313	302 370	302 370	335 480	368 074	403 904	
	Supply chain management	599	228	568	425	475	475	755	808	865	
Total Revenue (excluding capital transfers and contributions)		1 437 727	1 713 573	2 040 655	2 091 454	2 421 505	2 421 505	2 490 015	2 716 129	2 887 082	

**Table 35 MBRR SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand											
Good Governance	Office of the Municipal Manager	2 045	2 776	13 280	10 742	11 066	11 066	11 382	12 112	12 920	
	Risk Management ( Internal Audit)	–	–	–	9	9	9	32	33	35	
	Intergrated Development Planning	–	–	77	110	110	110	117	125	134	
	Performance Management	557	1 166	475	139	139	139	148	158	170	
	Corporate Services	8 704	6 085	7 370	7 577	7 267	7 267	5 925	4 026	1 822	
	Councillors	4 921	7 057	15 514	(405)	927	927	266	277	295	
	Councillors support and Public participation services	16 186	14 537	–	–	–	–	–	–	–	
	Fire and Rescue Services	31 492	33 675	36 240	43 898	43 035	43 035	46 223	49 472	52 949	
	Licensing (Vehicles)	6 231	7 163	8 128	9 188	9 151	9 151	9 957	10 609	11 349	
	Traffic Operations and Administration	24 954	23 678	30 272	34 526	35 760	35 760	36 122	38 544	41 266	
	Security Services (Crime prevention and CCTV System)	804	503	257	1 091	1 608	1 608	4 030	4 311	4 633	
	Disaster Management	501	719	739	882	899	899	1 461	1 560	1 677	
Sustainable Infrastructure and	Water and sanitation	296 762	323 131	370 655	408 516	438 056	438 056	443 263	473 438	519 655	
	Scientific Services	8 490	9 088	13 540	12 263	14 264	14 264	21 335	24 368	25 259	
	Water Demand Management and Strategy	–	–	4 193	4 176	4 480	4 480	4 765	5 069	5 396	
	Electricity Supply Services	757 688	943 872	954 591	934 741	1 064 134	1 064 134	1 204 958	1 295 418	1 392 869	
	Streetlights, Operations and LV networks	13 945	16 317	18 807	21 433	21 431	21 431	25 692	27 353	28 933	
	Transport,Roads and Stormwater	81 322	75 899	101 516	131 606	146 558	146 558	147 305	168 700	196 232	
	Solid Waste Management	67 844	74 889	82 319	84 091	93 470	93 470	96 593	103 194	110 143	
	Primary Health (Clinic Services)	14 424	15 665	16 800	20 434	22 590	22 590	23 696	25 128	26 895	
	Public Health and pollution control	7 640	8 388	9 502	12 309	12 774	12 774	14 376	15 297	16 354	
	Engineering support services	13 733	14 927	13 372	11 803	11 362	11 362	12 563	13 354	14 281	
	Fleet management services	43	327	85	21 555	14 179	14 179	9 933	6 271	4 680	
	Process Control System	0	0	5 592	6 980	6 789	6 789	10 078	10 671	11 318	
	Biodiversity (Cemeteries) and Conservation	6 141	6 418	6 139	8 383	8 312	8 312	8 354	8 796	9 471	
	Sport and recreation development	69 837	76 405	90 872	104 855	103 834	103 834	118 074	126 022	132 902	
	Public Libraries	11 417	11 356	12 954	17 131	17 199	17 199	16 908	17 720	18 942	
	Museums	1 052	1 127	1 217	1 515	1 414	1 414	1 648	1 759	1 886	
	Community halls and Thusong centres	8 072	8 719	10 200	12 618	13 003	13 003	15 296	16 291	17 386	
	Social and Economic	Local Economic development	–	–	–	–	–	–	–	–	–
		Marketing and Tourism	18	72	269	342	344	344	903	909	940
		Urban and Rural Planning	22 450	21 370	31 151	40 401	37 197	37 197	43 581	44 645	47 493
Human Settlement Programme		2 777	3 780	7 607	6 514	10 281	10 281	15 313	16 160	17 084	
Property Evaluations		1 107	1 289	–	1 500	–	–	–	–	–	
Institutional Development	Public Transport facilities and operations coordination	1 049	949	1 093	1 692	1 715	1 715	1 735	1 485	1 347	
	Human Resources and Industrial Relation Services	4 422	5 453	4 779	7 958	8 284	8 284	7 171	7 617	8 128	
	Information communication and Technology services	355	(100)	947	3 530	4 154	4 154	2 552	2 713	2 899	
Sound Financial Management	Expenditure	(32 874)	(39 438)	(7 665)	2 250	3 528	3 528	674	719	771	
	Revenue	(32 874)	(39 438)	(7 665)	2 250	3 528	3 528	674	719	771	
	Supply chain management	824	371	(80)	814	949	949	144	154	166	
Total Expenditure		1 422 058	1 638 196	1 855 148	1 989 414	2 173 799	2 173 799	2 363 247	2 535 196	2 739 449	

**Table 36 MBRR SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand											
Good Governance	Office of the Municipal Manager	–	–	–	150	225	225	44	44	78	
	Risk Management ( Internal Audit)	–	60	–	–	–	–	–	–	–	
	Intergrated Development Planning	191	271	219	156	112	112	268	270	343	
	Public Communications	–	76	70	4	–	–	–	–	–	
	Corporate Services	1 921	34	368	1 452	1 052	1 052	123	123	–	
	Councillors	–	–	–	225	225	225	–	–	7	
	Fire and Rescue Services	–	82	983	5 419	6 211	6 211	11 359	7 783	5 028	
	Licensing (Vehicles)	–	–	6	355	393	393	450	300	300	
	Traffic Operations and	112	7	–	1 710	597	597	–	–	–	
	Security Services (Crime	–	–	–	–	64	64	–	–	–	
Sustainable Infrastructure and	Water and sanitation	53 215	46 770	48 608	124 708	207 642	207 642	146 106	171 189	143 427	
	Scientific Services	1 275	–	1 209	1 000	3 201	3 201	1 300	2 310	4 000	
	Water Demand Management and	–	–	1 814	2 923	2 559	2 559	–	1 500	2 800	
	Electricity Supply Services	17 019	8 277	15 575	58 860	81 407	81 407	24 719	25 493	26 875	
	Streetlights, Operations and LV	20	–	1 937	6 569	7 951	7 951	4 880	4 917	6 254	
	Transport,Roads and Stormwater	8 579	2 237	7 034	37 492	28 755	28 755	13 775	14 018	17 234	
	Solid Waste Management	–	53	239	11 301	6 508	6 508	4 838	5 830	4 500	
	Primary Health (Clinic Services)	38	13	226	1 810	1 448	1 448	2 456	2 555	466	
	Public Health and pollution control	20	4	27	4 659	4 586	4 586	132	57	142	
	Engineering support services	–	–	20	1	24	24	–	–	–	
	Fleet management services	88	15 483	7 493	16 772	25 111	25 111	11 788	20 446	21 699	
	Process Control System	–	39	2 060	5 266	5 298	5 298	–	2 350	5 050	
	Biodiversity (Cemeteries) and	428	3	766	1 421	696	696	2 100	1 500	3 500	
	Recreational facilities Management	–	–	231	–	47	47	–	–	–	
	Sport and recreation development	923	929	2 164	17 723	17 558	17 558	7 230	12 742	30 298	
	Public Libraries	165	136	770	3 805	3 379	3 379	5 505	1 740	1 720	
	Community halls and Thusong	38	–	1 621	4 601	4 419	4 419	7 500	8 600	7 800	
	Social and Economic	Local Economic development	459	9	–	–	–	–	44	44	72
		Development and Support of	–	–	–	3 000	7 423	7 423	–	–	–
		Marketing and Tourism	–	8 406	2 370	7 000	10 171	10 171	–	–	–
Urban and Rural Planning		944	532	1 024	1 292	3 960	3 960	–	–	–	
Human Settlement Programme		(1 181)	623	6 046	–	26 244	26 244	–	–	–	
Institutional Development	Human Resources and Industrial	–	8	16	36	20	20	94	50	94	
	Information communication and	1 751	2 382	11 372	13 570	10 263	10 263	8 988	23 096	10 257	
Sound Financial Management	Expenditure	133	235	268	1 816	28	28	5 464	1 207	3 054	
	Revenue	19	25	180	1 830	224	224	275	401	25 910	
	Supply chain management	–	347	51	1 788	90	90	–	315	–	
Total Capital Expenditure		86 176	87 042	115 036	338 714	467 890	467 890	259 438	308 879	320 907	

## 2.3 Measurable performance objectives and indicators

### Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

#### *"Annual performance reports*

46. (1) *A municipality must prepare for each financial year a performance report reflecting -*
  - (a) *the performance of the municipality and of each external service provider during that financial year;*
  - (b) *a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
  - (c) *measures taken to improve performance.*
- (2) *An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."*

### Performance Management framework

The first performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during 2006/2007 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal.

The Performance Management function of uMhlathuze Municipality was previously outsourced to an external service provider and Council resolved during the 2009/2010 financial year to create an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit was capacitated during the 2010/2011 financial year as from 1 October 2010 by the appointment of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist. During the 2010/2011 Financial year, the Performance Management Unit prepared a new

Performance Management Framework and Policy which was adopted for 2011/2012 financial year by Council item RPT 150202 and policy on DMS 692062.

The Performance Management Framework and Policy review for the 2012/2013 financial year was adopted by Council per item RPT 152031 and Council resolution 8593 and is available on Councils official website ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the “Performance Management” quick link).

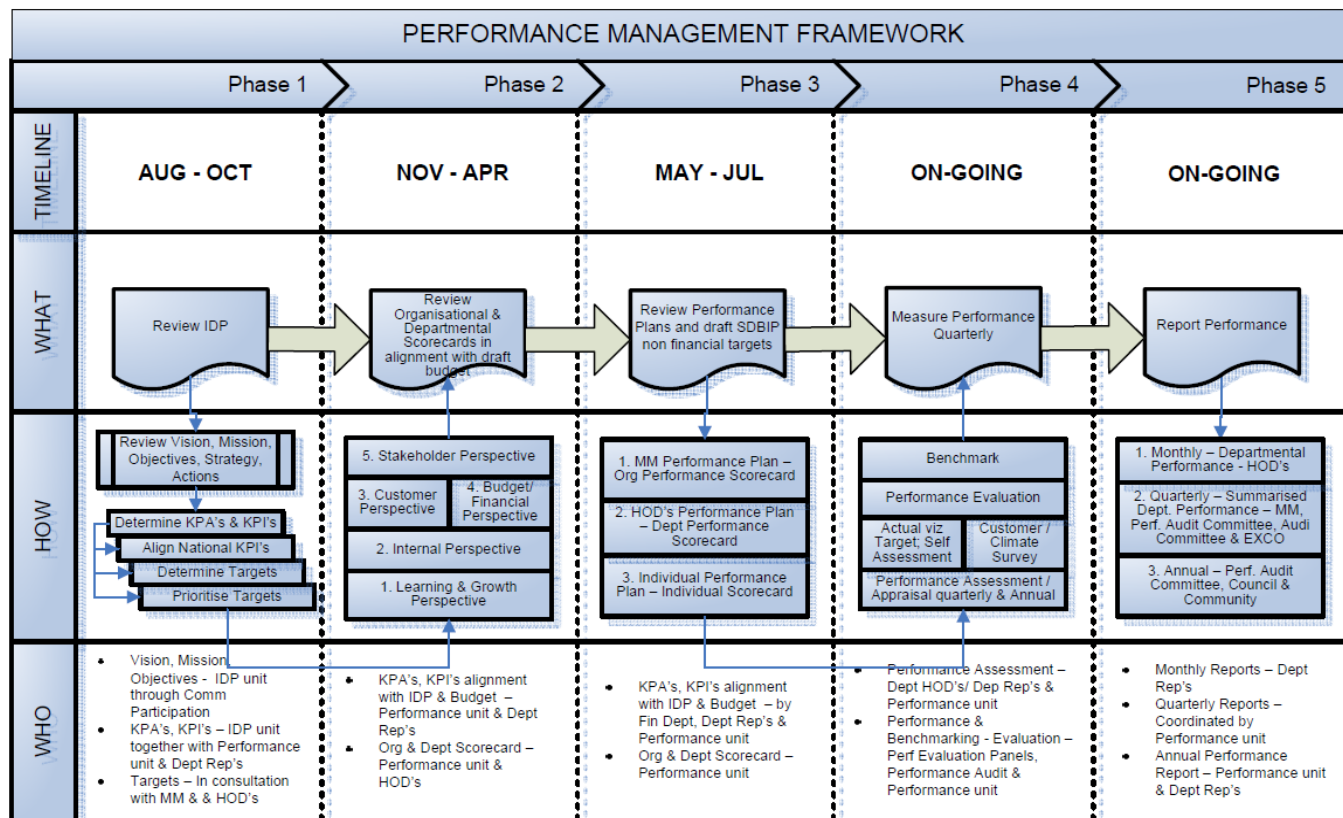
### **Performance indicators and benchmarks**

Key performance indicators have been refined in support of the municipality’s development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council’s priorities) for the new five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives are established and reflect on the Organisational Performance Management Scorecard OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans are prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.



The following diagram illustrates a summary of the newly developed performance management framework for the City of uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:



**Figure 5 Performance Management Framework**

### Performance Audit Committee

The Performance Audit Committee was re-affirmed in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 per Council item RPT 155451, Resolution 9082 dated 28 January 2014 and the members are as follow:

- Mr P C Oosthuizen – Chairperson (external member)
- Dr E M S Ntombela (external member)
- Mr B S Ndaba (external member)
- Cllr E F Mbatha (Mayor)
- Cllr N V Gumbi (Deputy Mayor)

The Performance Audit Committee has meet quarterly to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan. The minutes of meetings are documented and made available on the GroupWise electronic document management system.

### Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution CR9082 of 28 February 2014. Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons was established -

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

Clr E F Mbatha	Mayor/Chairperson
Clr N V Gumbi	Deputy Mayor
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee
Clr T Mchunu	A Mayor from another Municipality (uThungulu)
Mr V N Khuzwayo	Ward Committee member (nominated by the Mayor)

For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality."

Dr N J Sibeko	Chairperson
Clr E F Mbatha	Mayor
Clr N V Gumbi	Deputy Mayor
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee
Mr M Nkosi	A Municipal Manager from another Municipality (uThungulu)

Performance Evaluation sessions are conducted at the end of each quarter. The first and the third quarter assessment are informal assessments. Formal assessments are conducted on the Second and Fourth quarter. The final(Fourth) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the Annual Financial Statements and the Annual Report.

### **Auditing of Performance Information**

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

Council has during 2012 created an internal post of Internal Audit Executive within the office of the Municipal Manager to coordinate and manage the Internal Audit function within the municipality. Business Innovation Groups has been appointed by uMhlathuze municipality as the Internal Auditors. As part of their scope, auditing of the Performance Management System and Audit of Performance Information is performed and reports received for each quarter.

### **Customer Satisfaction**

Council appointed Urban Econ Development Economists to conduct the 2013 Customer Satisfaction Survey. The Comprehensive feedback and analysis report was communicated to Council via the Performance Audit Committee per Council Resolution 9014; RPT 155166 dated 3 December 2013. The comprehensive analysis feedback report is available on Council's official website. ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the "Performance Management" quick link)

### **Annual Organisational Performance Information**

The annual Organisational Performance Targets are compiled in a table format (as prescribed by KZN CoGTA) and reported on a quarterly basis to track performance. The Organisational Performance report is presented to the Auditor General for auditing together with the Annual Financial Statements by 30 August of each year.

The Organisational Performance Scorecard (Tables) once finalized and approved is read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance Information.

The number of households served with basic services as reflected in the table below also includes the performance of external service providers delivering basic services to the community as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000). Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the Mhlathuze Water Board. Electricity is distributed to communities by uMhlathuze municipality through purchasing electricity from ESKOM. The remainder of basic services to communities, i.e. solid waste removal (refuse collection) and sanitation is delivered in-house by the uMhlathuze municipality. The uMhlathuze municipality is fortunate not to be reliant on external service providers, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**Table 37 MBRR SA7 - Measurable performance objectives**

Description	Unit of measurement	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Vote 1 - Water and Sanitation Services</b>										
<b>Function 1 - Delivery of Basic Water Services</b>										
<b>Sub-function 1 - House Connection</b>										
Connection	% of Household	47.9%	47.9%	43.4%	51.0%	50.0%	50.0%	50.0%	50.0%	50.0%
<b>Sub-function 2 - Yard Connection</b>										
Connection	% of Household	45.2%	43.0%	42.9%	49.0%	44.4%	44.0%	44.0%	44.0%	44.0%
<b>Sub-function 3 - Communal Supply &gt;</b>										
Water Connection	% of Household	3.4%	3.4%	2.2%	2.0%	1.5%	1.5%	1.0%	0.4%	0.0%
<b>Function 2 - Basic Sanitation Services</b>										
<b>Sub-function 1 - Waterborne Sewerage</b>										
Sewerage Services	% of Household	43.9%	43.9%	39.3%	47.0%	47.0%	47.0%	50.0%	49.0%	49.0%
<b>Sub-function 2 - VIP's</b>										
Sewerage	% of Household	15.5%	16.0%	25.4%	20.0%	20.0%	20.0%	40.6%	49.0%	49.0%
<b>Vote 2 - Electricity Supply</b>										
<b>Function 1 - Electricity Connection</b>										
<b>Sub-function 1 - Household Connection</b>										
Municipality Household Connection	% of Household	99.0%	99.0%	93.0%	99.0%	93.0%	93.0%	95.0%	99.0%	99.0%
<b>Sub-function 2 - Free Household</b>										
Free Connections	% of Household	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
<b>Sub-function 3 - Eskom Supply</b>										
Household Connections	% of Household	70.0%	70.0%	70.0%	87.0%	87.0%	87.0%	90.0%	93.0%	94.0%
<b>Vote 3 - Solid Waste Removal</b>										
<b>Function 1 - Weekly Refuse Removal Services</b>										
<b>Sub-function 1 - Urban 240 litre Bin</b>										
Litre Refuse Bin Services	% of Household	59.9%	0.0%	56.0%	70.0%	54.0%	54.0%	54.0%	54.0%	54.0%
<b>Sub-function 2 - Free Basic Refuse</b>										
Insert measure/s description	% of Household	13.0%	13.0%	16.0%	13.0%	18.0%	18.0%	21.0%	21.0%	22.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

**Table 38 MBRR SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Borrowing Management</u></b>										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	11.5%	10.0%	8.6%	9.3%	8.4%	8.4%	8.5%	8.2%	7.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	13.3%	11.0%	8.9%	10.4%	9.4%	9.4%	9.5%	9.0%	8.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	224.5%	0.0%	43.7%	47.8%	47.8%	61.1%	59.6%	63.1%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds & Reserves	21.0%	20.7%	17.9%	19.9%	18.8%	18.8%	19.2%	17.3%	16.3%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	0.7	1.0	1.1	1.1	1.3	1.3	1.2	1.4	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	1.0	1.1	1.1	1.3	1.3	1.2	1.4	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.4	0.5	0.6	0.7	0.7	0.6	0.7	0.8
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		98.4%	97.5%	96.5%	98.0%	99.6%	99.6%	97.0%	97.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.4%	97.5%	96.5%	98.0%	99.6%	99.6%	97.0%	97.0%	97.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.7%	13.0%	14.2%	10.7%	12.0%	12.0%	11.9%	11.9%	12.0%
<b><u>Creditors Management</u></b>										
Creditors to Cash and Investments		507.4%	307.9%	148.2%	90.6%	66.9%	66.6%	78.6%	66.8%	57.9%
<b><u>Other Indicators</u></b>										
	Total Volume Losses (kW)	83850331	257369799	144883099						
	Total Cost of Losses (Rand '000)	32 702	123 538	85 481						
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
	Total Volume Losses (kℓ)	11 089	13 485	14 345						
	Total Cost of Losses (Rand '000)	12862807	16046563	20370474						
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.0%	23.8%	22.0%	25.5%	22.9%	22.9%	24.6%	24.4%	24.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.0%	24.7%	23.0%	26.5%	23.9%	23.9%	25.6%	25.4%	25.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	14.5%	13.0%	13.0%	14.7%	13.9%	13.9%	14.5%	14.4%	14.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.0%	9.7%	9.5%	11.1%	10.0%	10.0%	11.0%	11.2%	11.5%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	7.5	9.1	12.4	9.6	10.7	10.7	10.5	11.1	11.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	12.4%	15.0%	17.2%	12.2%	13.7%	13.7%	13.6%	13.6%	13.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.4	0.7	1.3	2.0	2.5	2.5	2.1	2.5	2.8

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, City of uMhlathuze's borrowing strategy is primarily informed by the Finance charges to Operating Expenditure. The structure of the City's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- **Finance Charges and redemption to Operating Expenditure and to own Revenue** is a measure of the cost of borrowing in relation to the operating expenditure and own revenue. It can be seen that the cost of borrowing has remained constant from 7,5 to 8,5 per cent in 2012/13 to 2016/17. In addition the mix of capital funding for the MTREF is remaining constant whereby borrowed funds over capital expenditure excluding grant expenditure, remains at a favourable average level of 61 per cent. While borrowing is considered a prudent financial instrument in financing capital infrastructure development such funding will be confined to assets with a useful life exceeding 10 years as well as limiting such financing to assets that generate revenue.

#### 2.3.1.2 Safety of Capital

- **The gearing ratio** is a measure of the total long term borrowings over funds and reserves. During the 2010/11 financial year this ratio peaked at 21 per cent and then stabilised to between 17,9 and 19,1 per cent over the MTREF.

#### 2.3.1.3 Liquidity

- **Current ratio** is a measure of the current assets divided by the current liabilities and as a benchmark the City has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 1,2:1 in the and 1,4:1 and 1,5:1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels. It needs to be noted that this is a 100% improvement on the 2010/11 ratio which was 0,7:1.
- **The liquidity ratio** is a measure of the ability of the municipality to utilize cash and cash equivalents to meet its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2010/11 financial year the ratio was 0,1 and as part of the financial planning strategy it has been increased to 0,6 in the 2014/15 financial year. This amounts to a 600 per cent improvement over a five year period. As the debtors' collection rate is at 98 per cent it is envisaged that cash will be available to meet its monthly current liabilities.

#### 2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been continued from previous years to maintain cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection with specific focus in the “traditional areas”.

#### 2.3.1.5 Creditors Management

- The City has managed to ensure that creditors are settled within the legislated 30 days of invoice. By maintaining stringent cash flow recovery interventions introduced in 2009/10, the Municipality has managed to this legislative obligation.

#### 2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue increases slightly over the MTREF. Although the ratio is 24,6 per cent for the 2014/15 MTREF, this may appear favourable however needs to be read in conjunction with the comments under section 1.5 – Operating Expenditure Framework as well as the comments under the Executive Summary.
- Repairs and maintenance as percentage of operating revenue remains constant over the MTREF owing directly to continued effort to ensure that resources in the repairs and maintenance cost centres are maximised.

### 2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. These are done in a universal and targeted approach. The universal approach is through the tariff structures and provides for 6kl free water and 50 kwh electricity free for users below a threshold. In addition, no rates and no refuse removal and no sewer are debited against consumers that has a property valued below the prescribed threshold.

The targeted approach is where individual customers are found that despite the universal approach still cannot afford their accounts. These customers' accounts are then written off.

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 31 MBRR A10 (Basic Service Delivery Measurement) on page 63.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 2.4 Overview of budget related-policies

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

#### **2.4.1 Review of credit control and debt collection procedures/policies**

The Credit Control & Debt Collection Policy was reviewed and approved by Council in July 2012 and is still in place and very effective. The adopted policy is credible, sustainable, and manageable and informed by affordability and value for money, hence there is no need to review any components of the policy.

The 2014/15 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 98 per cent on current billings.

#### **2.4.2 Asset Management, Infrastructure Investment and Funding Policy**

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets. In addition to the renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

#### **2.4.3 Budget Adjustment Policy**

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

#### **2.4.4 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council on the 4 October 2005. The Fourth amendment of the Supply Chain Management Policy was done in terms of Supply Chain Management Regulations clause 3(1)(b) and was adopted by Council on 31 July 2013.

The slow spend on the 2013/14 Adjusted Capital Budget is of serious concern to Administration, however a plan has been prepared to expedite the implementation of the procurement process for the 2014/15 MTREF. Such procurement plans will be included in the 2014/15 Adopted MTREF report.



### **2.4.5 Virement Policy**

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system of delegations. The Virement Policy was approved by Council via resolution 6737 on 6 July 2010 and was subsequently amended on 4 October 2011 and again on 28 May 2013.

### **2.4.6 Investment, Working Capital and Capital Replacement Reserves Policy**

The City's Investment, Working Capital and Capital Replacement Reserves Policy was amended by Council on 10 October 2013. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

### **2.4.7 Tariff of Charges Policy**

The City's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy is amended and approved annually with the MTREF.

All the above policies are available on the City's website, as well as the following budget related policies:

- Property Rates Policy; and
- Fraud Prevention policy.

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the City's finances.

### **2.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro-economic targets as per MFMA circular 70 and 72;
- The general inflationary outlook and the impact on City's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and

- The increase in the cost of remuneration. Employee related costs comprise 24,6 per cent of total operating expenditure in the 2014/15 MTREF. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2012.

### **2.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2014/15 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

### **2.5.4 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (98 per cent) of annual billings. Cash flow is assumed to be 98 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.5 Growth or decline in tax base of the municipality**

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

### **2.5.6 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2015. Year three is an across the board increase of 6,79 per cent. For budget purposes a 7 per cent increase has been utilised.

### **2.5.7 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives. See relevant section in the Integrated Development Plan.

### **2.5.8 Ability of the municipality to spend and deliver on the programmes**

The slow spend on the 2013/14 Adjusted Capital Budget is of serious concern to Administration, however a plan has been prepared to expedite the implementation of the procurement process for the 2014/15 MTREF. Such procurement plan will be included in the 2014/15 Adopted MTREF report.

## 2.6 Overview of budget funding

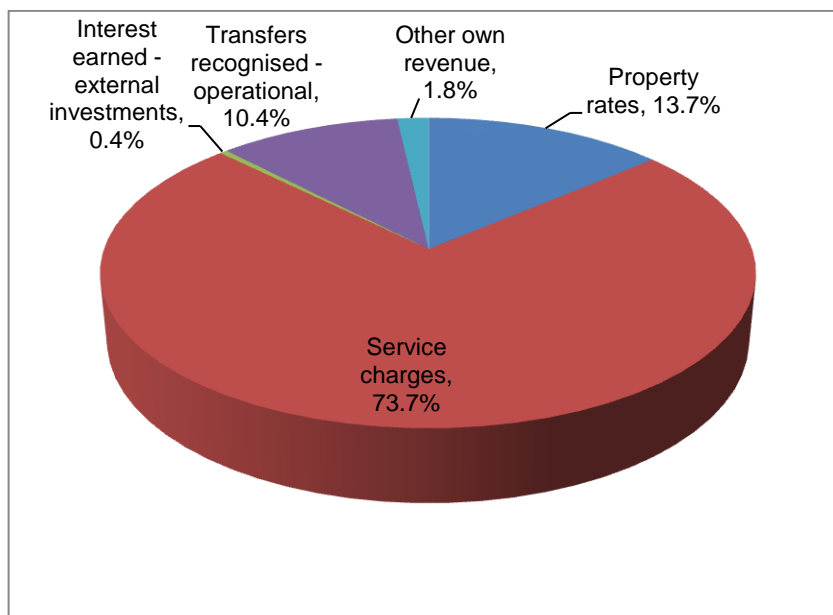
### 2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

**Table 39 Breakdown of the operating revenue over the medium-term**

Description R thousand	2014/15 Medium Term Revenue & Expenditure Framework					
	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
<b>Revenue By Source</b>						
Property rates	314 000	13%	345 400	14%	379 940	14%
Service charges	1 742 161	73%	1 883 362	74%	2 036 027	74%
Interest earned - external investments	10 605	0%	11 135	0%	11 692	0%
Transfers recognised - operational	260 509	11%	272 068	11%	287 010	10%
Other own revenue	43 284	2%	46 286	2%	49 507	2%
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>2 370 559</b>	<b>100%</b>	<b>2 558 251</b>	<b>100%</b>	<b>2 764 176</b>	<b>100%</b>
<b>Total Operating Expenditure</b>	<b>2 363 247</b>		<b>2 535 196</b>		<b>2 739 449</b>	
<b>Surplus/(Deficit)</b>	<b>7 311</b>		<b>23 055</b>		<b>24 726</b>	

The following graph is a breakdown of the operational revenue per main category for the 2014/15 financial year.



**Figure 6 Breakdown of operating revenue over the 2014/15 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure an above 98 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had to be adjusted to cater for affordable tariffs;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs where economically possible;
- Revenue protection and enhancement strategy
- Pricing risk strategy
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 MTREF on the different revenue categories are:

**Table 40 Proposed tariff increases over the medium-term**

Revenue category	2014/15 proposed revenue increase	2015/16 proposed revenue increase	2016/17 proposed revenue increase	2014/15 additional revenue for each 1% increase	2014/15 additional revenue per service	2014/15 Total Budgeted revenue
	%	%	%	R'000	R'000	R'000
Property rates	12	10	10	2 833	34 000	314 000
Sanitation	7	8	8	737	5 159	78 000
Solid Waste	6	8	8	602	3 610	62 000
Water	17	9	9	1 760	29 919	204 600
Electricity	7	8	8	13 768	96 378	1 385 000
<b>Total</b>				<b>19 700</b>	<b>169 066</b>	<b>2 401 587</b>

Revenue to be generated from property rates is R314 million in the 2014/15 financial year and increases to R345 million by 2015/16 which represents 14 per cent of the operating revenue base of the City. It remains relatively constant over the medium-term.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R1,7 billion for the 2014/15 financial year and increasing to R1,9 billion by 2015/16 and then R2 billion by 2016/17. For the

2014/15 financial year services charges amount to 73 per cent of the total revenue base and grows by 1 per cent per annum over the medium-term.

Operational grants and subsidies amount to R260 million, R272 million and R 287 million for each of the respective financial years of the MTREF, or 11, 11 and 10 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 4 per cent and 6 per cent for the two outer years.

Investment revenue contributes negligibly to the revenue base of the City with a budget allocation of R11 million, R11 million and R12 million for the respective three financial years of the 2014/15 MTREF. It needs to be noted that whilst a healthy working capital is important for a Municipality, the practise in this Municipality comes from a historical trend of utilising cash reserves to fund service delivery initiatives instead of generating interest returns.

The tables below provide detail investment information and investment particulars by maturity.

**Table 41 MBRR SA15 – Detail Investment Information**

Investment type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Parent municipality</b>									
Deposits - Bank	–	80 000	40 000	100 000	150 000	150 000	150 000	150 000	200 000
<b>Municipality sub-total</b>	–	80 000	40 000	100 000	150 000	150 000	150 000	150 000	200 000
<b>Consolidated total:</b>	–	80 000	40 000	100 000	150 000	150 000	150 000	150 000	200 000

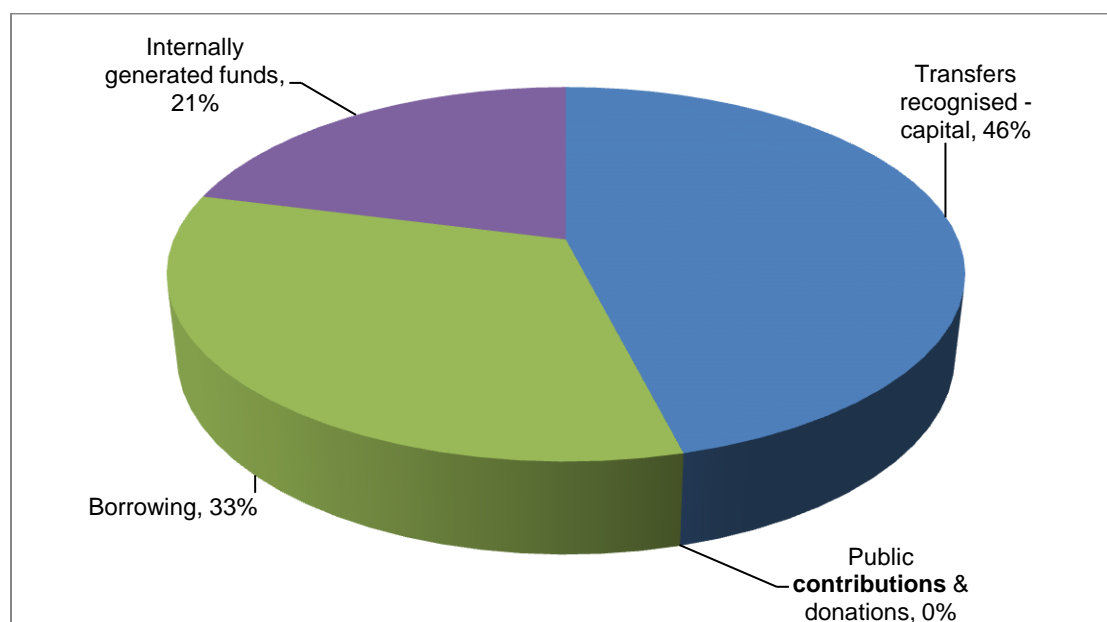
## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

**Table 42 Sources of capital revenue over the MTREF**

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
National Government	43 927	39 679	40 345	83 697	194 730	194 730	119 456	157 879	122 907
Provincial Government	1 964	9 452	11 087	10 000	47 922	47 922	–	–	–
District Municipality	19	–	97	–	–	–	–	–	–
Other transfers and grants	808	7	131	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>46 719</b>	<b>49 138</b>	<b>51 659</b>	<b>93 697</b>	<b>242 652</b>	<b>242 652</b>	<b>119 456</b>	<b>157 879</b>	<b>122 907</b>
Public contributions & donations	4 393	3 165	4 531	16 237	16 237	16 237	–	–	–
Borrowing	17 195	22 907	33 829	136 119	122 772	125 022	85 500	90 000	125 000
Internally generated funds	17 869	11 833	25 017	92 661	86 229	84 072	54 482	61 000	73 000
<b>Total Capital Funding</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>467 984</b>	<b>259 438</b>	<b>308 879</b>	<b>320 907</b>

The above table is graphically represented as follows for the 2014/15 financial year.



**Figure 7 Sources of capital revenue for the 2014/15 financial year**

Capital grants and receipts equates to 46 per cent of the total funding source which represents R119 million for the 2014/15 financial year and steadily increase to R158 million or 51 per cent by 2015/16. Growth relating to grant receipts is 43, 32 and decrease 22 per cent over the medium-term.

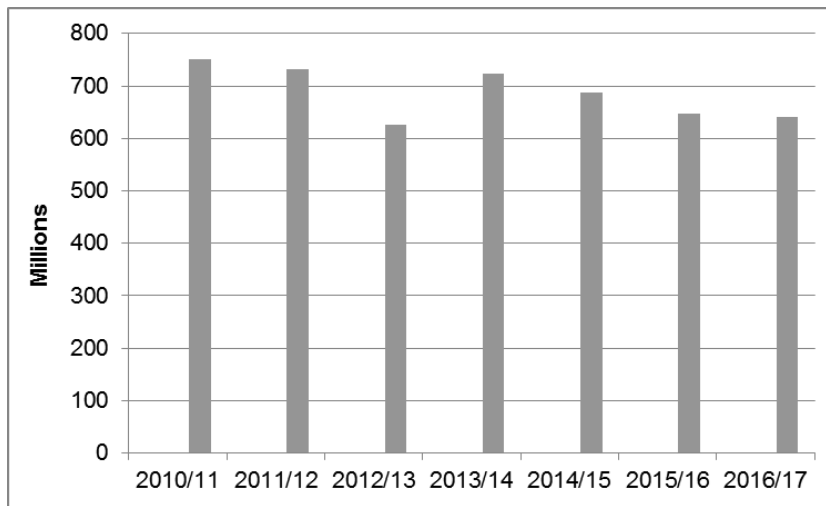
Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R300,5 million to be raised for each of the respective financial years totalling 33, 29 and 39 per cent of the total funding of the capital budget for each of the respective financial years of the MTREF.

The following table is a detailed analysis of the City's borrowing liability.

**Table 43 MBRR SA17 - Detail of borrowings**

Borrowing - Categorised by type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	750 237	732 522	625 250	722 333	724 032	724 032	686 593	648 320	641 704
<b>Municipality sub-total</b>	750 237	732 522	625 250	722 333	724 032	724 032	686 593	648 320	641 704
<b>Total Borrowing</b>	750 237	732 522	625 250	722 333	724 032	724 032	686 593	648 320	641 704

The following graph illustrates the growth in outstanding borrowing for the 2010/11 to 2016/17 period.



**Figure 8 Growth in outstanding borrowing (long-term liabilities)**

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R54 million in 2014/15, R61 million in 2015/16 and R73 million in 2016/17.



**Table 44 MBRR SA18 - Capital transfers and grant receipts**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>22 614</b>	<b>66 531</b>	<b>93 492</b>	<b>83 697</b>	<b>194 730</b>	<b>188 047</b>	<b>119 456</b>	<b>157 879</b>	<b>113 121</b>
Municipal Infrastructure Grant (MIG)	21 614	69 481	84 492	83 697	148 461	148 461	88 106	91 997	96 200
Municipal Systems Improvement	-	-	-	-	-	-	-	-	-
Electrification Projects	-	(3 950)	-	-	20 430	20 430	8 000	10 000	9 000
Electricity Demand Site	-	-	8 000	-	6 683	-	-	-	-
Extended Public Works Programme	-	-	1 000	-	-	-	-	-	-
Water Conservation and Demand Management	1 000	1 000	-	-	-	-	-	-	-
Infrastructure Water Projects	-	-	-	-	17 547	17 547	18 850	50 882	7 921
Rural Households Infrastructure	-	-	-	-	1 609	1 609	4 500	5 000	-
	<b>12 287</b>	<b>10 170</b>	<b>28 011</b>	<b>10 000</b>	<b>47 922</b>	<b>47 922</b>	<b>-</b>	<b>-</b>	<b>9 786</b>
<b>Provincial Government:</b>	<b>8 382</b>	<b>562</b>	<b>20 748</b>	<b>-</b>	<b>27 638</b>	<b>27 638</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing	-	-	3 500	10 000	17 344	17 344	-	-	-
Sport and Recreation	-	-	-	-	-	-	-	-	-
Libraries	147	136	-	-	-	-	-	-	-
Massification Grant	-	-	2 000	-	-	-	-	-	9 786
Urban Development Framework plan	3 758	-	-	-	2 940	2 940	-	-	-
Upgrade of Airport	-	9 472	1 764	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Stadium and Assets Donated	-	-	-	-	-	-	-	-	-
Bus Shelters and laybys	-	-	207	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>	<b>489</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foskor - Water pipeline replacement	489	-	-	-	-	-	-	-	-
Dischem - Camera	-	7	-	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Transfers and Grants</b>	<b>35 390</b>	<b>76 708</b>	<b>121 710</b>	<b>93 697</b>	<b>242 652</b>	<b>235 969</b>	<b>119 456</b>	<b>157 879</b>	<b>122 907</b>

### 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves the understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 45 MBRR Table A7 - Budget cash flow statement**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	1 209 342	1 434 822	1 709 543	1 738 491	1 923 667	1 923 667	2 036 796	2 207 542	2 392 693
Government - operating	153 373	182 413	192 367	219 635	236 994	236 594	260 509	272 068	287 010
Government - capital	33 301	49 130	123 981	93 697	242 652	242 652	119 456	157 879	122 907
Interest	3 849	5 652	10 023	4 152	11 773	11 773	12 147	12 785	13 458
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(1 195 582)	(1 395 345)	(1 682 493)	(1 746 424)	(1 933 072)	(1 930 983)	(2 023 834)	(2 163 278)	(2 330 759)
Finance charges	(88 508)	(82 481)	(65 436)	(75 538)	(73 038)	(73 038)	(77 614)	(78 455)	(76 574)
Transfers and Grants	(1 144)	(1 177)	(1 373)	(2 018)	(2 194)	(1 994)	(2 999)	(3 203)	(3 435)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>114 631</b>	<b>193 014</b>	<b>286 612</b>	<b>231 995</b>	<b>406 782</b>	<b>408 671</b>	<b>324 461</b>	<b>405 338</b>	<b>405 300</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	19 613	-	22 583	10 000	10 000	10 000	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	230	155	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(80 000)	(28 989)	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(85 895)	(75 311)	(113 208)	(237 742)	(315 248)	(315 304)	(334 248)	(294 047)	(317 298)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(66 052)</b>	<b>(155 156)</b>	<b>(119 614)</b>	<b>(227 742)</b>	<b>(305 248)</b>	<b>(305 304)</b>	<b>(334 248)</b>	<b>(294 047)</b>	<b>(317 298)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	78 000	-	100 000	100 000	100 000	80 000	80 000	80 000
Increase (decrease) in consumer deposits	6 009	2 360	3 777	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	(75 271)	(80 563)	(79 095)	(109 092)	(109 092)	(109 092)	(122 938)	(128 273)	(131 617)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(69 262)</b>	<b>(203)</b>	<b>(75 318)</b>	<b>(9 092)</b>	<b>(9 092)</b>	<b>(9 092)</b>	<b>(42 938)</b>	<b>(48 273)</b>	<b>(51 617)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(20 683)</b>	<b>37 655</b>	<b>91 680</b>	<b>(4 839)</b>	<b>92 442</b>	<b>94 275</b>	<b>(52 725)</b>	<b>63 018</b>	<b>36 385</b>
Cash/cash equivalents at the year begin:	60 242	39 559	77 214	280 396	280 396	280 396	374 671	321 946	384 964
Cash/cash equivalents at the year end:	39 559	77 214	168 894	275 557	372 838	374 671	321 946	384 964	421 349

The above table shows that cash and cash equivalents of the City. It can be seen that the cash levels of the City improved significantly over the 2010/11 to 2014/15 period and the years thereafter owing directly to a myriad of cash flow interventions introduced over the past 5 years. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R 374 million as at the end of the 2014/15 financial year and escalates to R 420 million by 2015/16.

For the 2014/15 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R321 million by 2014/15 and steadily increasing to R 384 million by 2015/16.

## 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 46 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	39 559	77 214	168 894	275 557	372 838	374 671	337 446	420 464	511 849
Other current investments > 90 days	(0)	80 000	73 881	33 651	—	(1 833)	—	—	—
Non current assets - Investments	—	—	—	—	—	—	—	—	—
<b>Cash and investments available:</b>	<b>39 559</b>	<b>157 214</b>	<b>242 775</b>	<b>309 208</b>	<b>372 838</b>	<b>372 838</b>	<b>337 446</b>	<b>420 464</b>	<b>511 849</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	24 470	47 516	113 803	116 357	116 357	116 357	116 357	116 357	116 357
Unspent borrowing	—	—	—	—	—	—	—	—	—
Statutory requirements	(4 560)	(7 717)	(16 014)	2 685	2 685	2 685	(21 483)	(24 281)	(23 594)
Other working capital requirements	54 421	26 477	(22 526)	40 911	(10 258)	(10 258)	(8 188)	(15 719)	(25 348)
Other provisions	18 329	20 270	23 317	21 668	24 716	24 716	26 394	28 083	29 881
Long term investments committed	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	—	—	—	52 296	133 684	133 684	107 823	115 408	128 496
<b>Total Application of cash and investments:</b>	<b>92 660</b>	<b>86 546</b>	<b>98 580</b>	<b>233 917</b>	<b>267 184</b>	<b>267 184</b>	<b>220 903</b>	<b>219 848</b>	<b>225 792</b>
<b>Surplus(shortfall)</b>	<b>(53 101)</b>	<b>70 668</b>	<b>144 196</b>	<b>75 291</b>	<b>105 654</b>	<b>105 654</b>	<b>116 543</b>	<b>200 616</b>	<b>286 057</b>

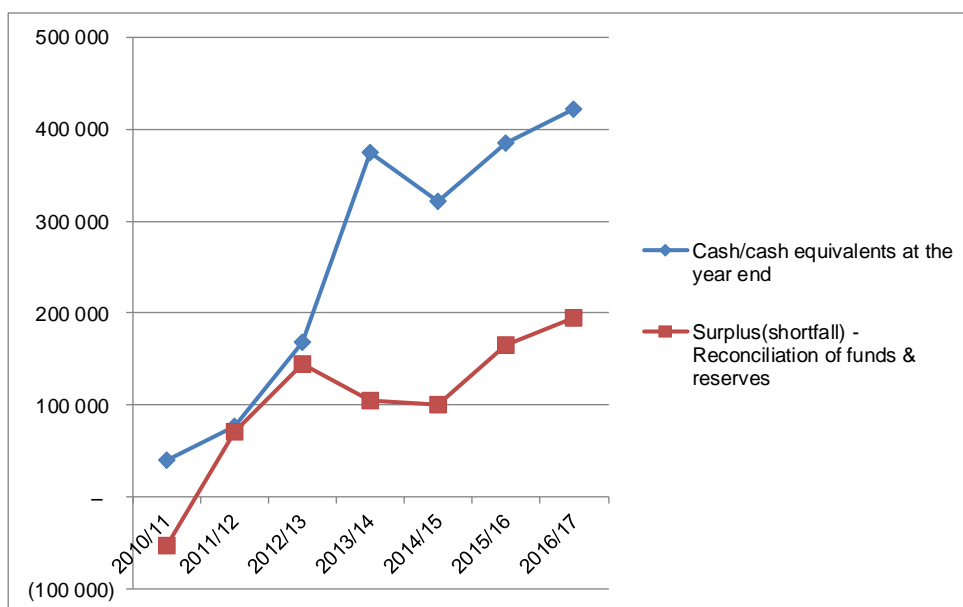
From the above table it can be seen that the cash and investments available total R337 million in the 2014/15 financial year and progressively increase to R 420 million by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business. Based on the current expenditure patterns and the awarded tenders in which constructed has not commenced the municipality will have to approach National Treasury for a roll-over of funds in terms of the DORA requirements.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations. The liability in this regard totalled R21,4 million for the 2014/15 financial year.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the City to meet its creditor obligations.

- Against other provisions an amount R26 million has been provided for the 2014/15 financial year and this increases to R28 million by 2015/16.

It can be concluded that the City has a surplus against the cash backed and accumulated surpluses reconciliation. The level of non-cash-backing progressively improved over the period 2010/11 to 2014/15 escalating from R53 million (deficit) to R115 million in 2014/15. The 2014/15 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. **Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible.** The challenge for the City will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Cash/cash equivalents at the year end	39 559	77 214	168 894	374 671	321 946	384 964	421 349
Surplus(shortfall) - Reconciliation of funds & reserves	(53 101)	70 668	144 196	105 654	101 043	165 116	195 557

**Figure 9 Cash and cash equivalents / Cash backed reserves and accumulated funds**

## 2.6.5 Funding compliance measurement

National Treasury requires that the municipality to assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 47 MBRR SA10 – Funding compliance measurement**

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	39 559	77 214	168 894	275 557	372 838	374 671	374 671	337 446	420 464	511 849
Cash + investments at the yr end less applications - R'000	(53 101)	70 668	144 196	75 291	105 654	105 654	–	116 543	200 616	286 057
Cash year end/monthly employee/supplier payments	0.4	0.7	1.3	2.0	2.5	2.5	2.5	2.1	2.5	2.8
Surplus/(Deficit) excluding depreciation offsets: R'000	(193 205)	(147 281)	(51 420)	102 040	247 706	247 706	247 706	126 767	180 934	147 633
Service charge rev % change - macro CPIX target exclusive	N.A.	15.0%	7.7%	0.2%	3.3%	(6.0%)	(6.0%)	2.9%	2.4%	2.4%
Cash receipts % of Ratepayer & Other revenue	98.4%	97.5%	96.5%	98.0%	99.6%	99.6%	99.6%	97.0%	97.0%	97.0%
Debt impairment expense as a % of total billable revenue	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital payments % of capital expenditure	99.7%	86.5%	98.4%	70.2%	67.4%	67.4%	0.0%	128.8%	95.2%	98.9%
Borrowing receipts % of capital expenditure (excl. transfers)	0.0%	205.8%	0.0%	40.8%	44.4%	44.4%	0.0%	61.1%	59.6%	63.1%
Grants % of Govt. legislated/gazetted allocations								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	N.A.	45.8%	30.6%	(24.7%)	22.6%	0.0%	(100.0%)	8.0%	8.5%	8.4%
Long term receivables % change - incr(decr)	N.A.	(12.2%)	(20.0%)	9.9%	0.0%	0.0%	(100.0%)	(57.7%)	5.7%	5.7%
R&M % of Property Plant & Equipment	4.5%	5.0%	6.3%	6.7%	6.8%	6.8%	0.0%	8.1%	8.6%	9.0%
Asset renewal % of capital budget	0.1%	28.9%	54.1%	52.0%	37.9%	37.9%	0.0%	41.6%	54.4%	56.3%
<b>High Level Outcome of Funding Compliance</b>										
Total Operating Revenue	1 391 008	1 664 435	1 988 995	1 997 756	2 178 852	2 178 852	2 178 852	2 370 559	2 558 251	2 764 176
Total Operating Expenditure	1 422 058	1 638 196	1 855 148	1 989 414	2 173 799	2 173 799	2 173 799	2 363 247	2 535 196	2 739 449
Surplus/(Deficit) Budgeted Operating Statement	(31 050)	26 239	133 847	8 342	5 054	5 054	5 054	7 311	23 055	24 726
Surplus/(Deficit) Considering Reserves and Cash Backing	(84 151)	96 907	278 043	83 633	110 708	110 708	5 054	123 854	223 671	310 783
MTREF Funded (1) / Unfunded (0)	0	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *	*	✓	✓	✓	✓	✓	✓	✓	✓	✓

### 2.6.5.1 Cash/cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/15 MTREF shows R337 million, R421 million and R512 million for each respective financial year.

### 2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 29, on page 59. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted

amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.6.5.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the City to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has improved significantly for the period 2010/11 to 2013/14, moving from 0,4 to 2,1 with the adopted 2014/15 MTREF. As part of the 2014/15 MTREF the municipality's improving cash position causes the ratio to move upwards to 2,1 and then improves slightly to 2,8 for the outer years. As indicated above the City the Investment, Working Capital and Capital Replacement Reserves Policy requires a ratio of two months coverage. The target has been achieved.

#### *2.6.5.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year.

For the 2014/15 MTREF the indicative outcome is a surplus of R127 million, R181 million and R148 million. This however is **not a true reflection** of the Operating performance as this figure includes capital revenues (Transfers recognised – capital).

#### *2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 2,9, 2,4 and 2,4 per cent for the respective financial year of the 2014/15 MTREF. This is not a reflection of economic growth in the area but rather a reflection of cost drives which have increased more than inflation targets such as bulk water and electricity and employee related costs.

#### *2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 97 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 98 per cent performance target, it either implies that the Municipality must either increase its' credit control endeavours in the Rural Areas or

alternatively lower its collection rate target of 98 per cent to be more realistic. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *2.6.5.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0,1 per cent over the MTREF which is a reflection of the high standard of credit and debt control for the City. Given the comments mentioned above regarding the debtors situation within the rural environment these provisions may need to be reviewed in the next budget cycle.

#### *2.6.5.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. This indicator clearly illustrates the lack of capital spending in the 2013/14 Adjusted budget but does assume that with improved procurement and project management plans, spending will accelerate in the 2014/15 financial year.

#### *2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 61, 59,6 and 63 per cent of own funded capital. This is both consistent and a good funding mix.

#### *2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The City has budgeted for all transfers.

#### *2.6.5.11 Consumer debtors change (Current and Non-current)*

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Only one indicator is reflected above which illustrates a stable trend in that debtors are only increase by the equivalent increase in revenue not by deterioration in collection rate. The changes in Long term receivables is immaterial and thus no comments are necessary.

#### *2.6.5.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term

because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance is contained in Table 63 MBRR SA34c on page 117.

#### *2.6.5.13 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 64 MBRR SA34b on page 116.



## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table 48 MBRR SA19 - Expenditure on transfers and grant programmes**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>149 523</b>	<b>169 022</b>	<b>186 964</b>	<b>208 070</b>	<b>211 070</b>	<b>211 070</b>	<b>233 951</b>	<b>247 988</b>	<b>262 684</b>
Local Government Equitable Share	145 629	161 782	179 139	190 384	190 384	190 384	204 800	227 883	241 990
Finance Management	1 227	1 117	1 268	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement	144	999	190	890	890	890	930	960	1 019
Department of Water Affairs	762	3 202	561	7 210	7 210	7 210	14 000	2 650	3 000
Restructuring Grant	566	-	-	-	-	-	-	-	-
Project Mangement Unit	1 195	1 923	2 125	3 036	3 036	3 036	2 725	2 845	2 975
Infrastructure Skills Development Grant	-	-	3 505	4 000	7 000	7 000	8 000	12 000	12 000
Extended Public Works Programme	-	-	-	1 000	1 000	1 000	1 896	-	-
Electricity Demand Site	-	-	176	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>6 022</b>	<b>9 018</b>	<b>10 263</b>	<b>6 709</b>	<b>19 552</b>	<b>19 552</b>	<b>21 701</b>	<b>19 223</b>	<b>19 470</b>
Housing	714	289	1 498	-	5 966	5 966	7 276	3 937	3 099
Community Development Workers Program	-	-	-	-	-	-	-	-	-
Recycling project	6	3	-	-	-	-	-	-	-
GIS Support	20	-	-	-	-	-	-	-	-
Technical Support and WSDP	55	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	17	-	-	-	-	-	-
Cleanest Town Award	30	386	345	-	-	-	-	-	-
Museums	74	125	134	143	143	143	299	314	331
Provincialisation of Libraries	562	2 651	2 784	5 846	5 846	5 846	6 080	6 450	6 792
Libraries	-	603	531	720	720	720	756	794	1 056
Land Use Management	35	-	-	-	-	-	-	-	-
Corridor Development	-	157	113	-	-	-	-	-	-
Primary Health	4 527	4 804	4 842	-	6 878	6 878	7 290	7 728	8 192
<b>District Municipality:</b>	<b>1 320</b>	<b>4 372</b>	<b>4 774</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>
Environmental Health Subsidy	1 319	4 343	4 603	4 856	4 856	4 856	4 856	4 856	4 856
SMME Fair	1	-	49	-	-	-	-	-	-
Zulu Dance Competition	-	20	-	-	-	-	-	-	-
Capacity Building	-	9	122	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>562</b>	<b>637</b>	<b>113</b>	<b>-</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>
BHP Billiton (HIV/Aids Mens revention Prog	2	8	-	-	-	-	-	-	-
Development Bank - Aids Prevention	-	8	24	-	-	-	-	-	-
ABSA Sponsorship - Budget Insert	-	-	20	-	-	-	-	-	-
ABSA Sponsorship - Beach Festival	5	-	0	-	-	-	-	-	-
Business Against Crime - CCTV	529	381	-	-	-	-	-	-	-
FNB - SCM Indaba	19	2	-	-	-	-	-	-	-
FNB & Raizecorp - SMME Fair	-	21	2	-	-	-	-	-	-
Foskor - Launch Disaster Management Ad	8	-	-	-	-	-	-	-	-
Tourism Association	-	7	-	-	-	-	-	-	-
Salga	-	200	-	-	400	400	-	-	-
Total SA	-	10	-	-	-	-	-	-	-
Absa bank - Mandela Day	-	-	3	-	-	-	-	-	-
Mayoral Golf Day - Various	-	-	60	-	-	-	-	-	-
Other	-	-	3	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and</b>	<b>157 427</b>	<b>183 050</b>	<b>202 114</b>	<b>219 635</b>	<b>235 878</b>	<b>235 878</b>	<b>260 509</b>	<b>272 068</b>	<b>287 010</b>

**SA19 - Expenditure on transfers and grant programmes – (continued)**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>43 927</b>	<b>-</b>	<b>40 345</b>	<b>83 697</b>	<b>123 283</b>	<b>123 283</b>	<b>119 456</b>	<b>157 879</b>	<b>113 121</b>
Municipal Infrastructure Grant (MIG)	36 890	-	37 158	83 697	83 697	83 697	88 106	91 997	96 200
Finance Management	146	-	232	-	-	-	-	-	-
Department of Water Affairs	3 744	-	351	-	-	-	-	-	-
Restructuring Grant	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement	128	-	185	-	-	-	-	-	-
Electrification Projects	2 775	-	-	-	20 430	20 430	8 000	10 000	9 000
Electricity Demand Site	-	-	1 141	-	-	-	-	-	-
Extended Public Works Programme	-	-	1 004	-	-	-	-	-	-
Water Conservation and Demand Management	245	-	-	-	-	-	-	-	-
Infrastructure Water Projects	-	-	-	-	17 547	17 547	18 850	50 882	7 921
Rural Households Infrastructure	-	-	-	-	1 609	1 609	4 500	5 000	-
Infrastructure Skills Development Grant	-	-	273	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>1 964</b>	<b>9 452</b>	<b>11 087</b>	<b>10 000</b>	<b>10 000</b>	<b>10 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing	1 419	623	6 046	-	-	-	-	-	-
Sport and Recreation	56	-	112	10 000	10 000	10 000	-	-	-
Libraries	165	136	-	-	-	-	-	-	-
Corridor Development	188	238	97	-	-	-	-	-	-
Cleanest Town	35	-	20	-	-	-	-	-	-
Urban Development Framework Plan	102	50	666	-	-	-	-	-	-
Remote Water Metering System	-	-	-	-	-	-	-	-	-
Community Development Workers	-	-	-	-	-	-	-	-	-
Recycling project	-	96	-	-	-	-	-	-	-
Upgrade of Airport	-	8 309	2 258	-	-	-	-	-	-
Massification Grant	-	-	1 887	-	-	-	-	-	-
<b>District Municipality:</b>	<b>19</b>	<b>-</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bus Shelters and laybys	-	-	97	-	-	-	-	-	-
Museums	19	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>808</b>	<b>7</b>	<b>131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foskor - Water pipeline replacement	489	-	-	-	-	-	-	-	-
National Lotto - Sports Development	320	-	-	-	-	-	-	-	-
Dischem - Camera	-	7	-	-	-	-	-	-	-
Briardale Trading - Practical Interventions	-	-	131	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>46 719</b>	<b>9 458</b>	<b>51 659</b>	<b>93 697</b>	<b>133 283</b>	<b>133 283</b>	<b>119 456</b>	<b>157 879</b>	<b>113 121</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>204 146</b>	<b>192 508</b>	<b>253 774</b>	<b>313 332</b>	<b>369 162</b>	<b>369 162</b>	<b>379 965</b>	<b>429 946</b>	<b>400 131</b>

**Table 49 MBRR SA20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	2 318	1 578	3 800	515	515	515	515	515	515
Current year receipts	148 783	171 245	183 679	208 070	212 185	212 185	233 951	247 988	262 684
<b>Conditions met - transferred to revenue</b>	<b>149 523</b>	<b>169 023</b>	<b>186 964</b>	<b>208 070</b>	<b>212 185</b>	<b>212 185</b>	<b>233 951</b>	<b>247 988</b>	<b>262 684</b>
Conditions still to be met - transferred to liabilities	1 578	3 800	515	515	515	515	515	515	515
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	2 014	1 665	823	5 757	5 757	5 757	5 757	5 757	5 757
Current year receipts	5 674	8 176	15 197	6 709	19 552	19 552	21 701	19 223	19 470
<b>Conditions met - transferred to revenue</b>	<b>6 023</b>	<b>9 018</b>	<b>10 262</b>	<b>6 709</b>	<b>19 552</b>	<b>19 552</b>	<b>21 701</b>	<b>19 223</b>	<b>19 470</b>
Conditions still to be met - transferred to liabilities	1 665	823	5 757	5 757	5 757	5 757	5 757	5 757	5 757
<b>District Municipality:</b>									
Balance unspent at beginning of the year	166	229	205	34	34	34	34	34	34
Current year receipts	1 383	4 348	4 603	4 856	4 856	4 856	4 856	4 856	4 856
<b>Conditions met - transferred to revenue</b>	<b>1 320</b>	<b>4 372</b>	<b>4 774</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>
Conditions still to be met - transferred to liabilities	229	205	34	34	34	34	34	34	34
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	1 447	2 208	3 001	2 528	2 528	2 528	2 528	2 528	2 528
Current year receipts	1 322	1 430	105	—	400	400	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>561</b>	<b>637</b>	<b>113</b>	<b>—</b>	<b>400</b>	<b>400</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	2 208	3 001	2 528	2 528	2 528	2 528	2 528	2 528	2 528
<b>Total operating transfers and grants revenue</b>	<b>157 427</b>	<b>183 050</b>	<b>202 114</b>	<b>219 635</b>	<b>236 994</b>	<b>236 994</b>	<b>260 509</b>	<b>272 068</b>	<b>287 010</b>
<b>Total operating transfers and grants - CTBM</b>	<b>5 680</b>	<b>7 829</b>	<b>8 834</b>	<b>8 834</b>	<b>8 834</b>	<b>8 834</b>	<b>8 834</b>	<b>8 834</b>	<b>8 834</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	30 542	4 064	25 183	72 960	72 960	72 960	72 960	72 960	72 960
Current year receipts	22 614	66 531	93 492	83 697	194 730	194 730	119 456	157 879	113 121
<b>Conditions met - transferred to revenue</b>	<b>43 927</b>	<b>39 679</b>	<b>40 345</b>	<b>83 697</b>	<b>194 730</b>	<b>194 730</b>	<b>119 456</b>	<b>157 879</b>	<b>113 121</b>
Conditions still to be met - transferred to liabilities	4 064	25 183	72 960	72 960	72 960	72 960	72 960	72 960	72 960
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	6 491	16 813	17 531	34 455	34 455	34 455	34 455	34 455	34 455
Current year receipts	12 287	10 170	28 011	10 000	47 922	47 922	—	—	9 786
<b>Conditions met - transferred to revenue</b>	<b>1 964</b>	<b>9 452</b>	<b>11 087</b>	<b>10 000</b>	<b>47 922</b>	<b>47 922</b>	<b>—</b>	<b>—</b>	<b>9 786</b>
Conditions still to be met - transferred to liabilities	16 813	17 531	34 455	34 455	34 455	34 455	34 455	34 455	34 455
<b>District Municipality:</b>									
Balance unspent at beginning of the year	—	(19)	(19)	91	91	91	91	91	91
Current year receipts	—	—	207	—	—	—	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>19</b>	<b>—</b>	<b>97</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	(19)	(19)	91	91	91	91	91	91	91
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	339	17	17	17	17	17	17	17	17
Current year receipts	487	7	(1)	—	—	—	—	—	—
<b>Conditions met - transferred to revenue</b>	<b>808</b>	<b>7</b>	<b>130</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Conditions still to be met - transferred to liabilities	17	17	(114)	17	17	17	17	17	17
<b>Total capital transfers and grants revenue</b>	<b>46 719</b>	<b>49 138</b>	<b>51 660</b>	<b>93 697</b>	<b>242 652</b>	<b>242 652</b>	<b>119 456</b>	<b>157 879</b>	<b>122 907</b>
<b>Total capital transfers and grants - CTBM</b>	<b>20 875</b>	<b>42 712</b>	<b>107 392</b>	<b>107 523</b>	<b>107 523</b>	<b>107 523</b>	<b>107 523</b>	<b>107 523</b>	<b>107 523</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>204 146</b>	<b>232 188</b>	<b>253 773</b>	<b>313 332</b>	<b>479 646</b>	<b>479 646</b>	<b>379 965</b>	<b>429 946</b>	<b>409 917</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>26 555</b>	<b>50 541</b>	<b>116 226</b>	<b>116 357</b>	<b>116 357</b>	<b>116 357</b>	<b>116 357</b>	<b>116 357</b>	<b>116 357</b>

**Table 50 MBRR SA21 - Transfers and grants made by the municipality**

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Transfers to Organisations</b>									
Empangeni SPCA	120	147	53	167	167	167	200	214	230
Richards Bay SPCA	120	147	53	167	167	167	200	214	230
Zululand Expo	22	23	-	-	-	-	-	-	-
Richards Bay Tourism - UTA	322	242	0	-	-	-	-	-	-
Thuthukani Special School	-	7	-	-	-	-	-	-	-
Zululand Remedial School	-	7	-	-	-	-	-	-	-
Schools and uThungulu Forum	-	25	32	263	116	116	263	281	302
Isiqalo Foundation	-	-	-	-	-	-	-	-	-
House of Shalom	-	-	-	-	-	-	-	-	-
Mandlazi Community Foundation	-	-	-	-	-	-	-	-	-
Richards Bay Country Club	-	-	350	368	348	348	388	409	431
Flagship Programme	15	-	-	-	-	-	-	-	-
CANSA Fundraising Event	-	3	-	-	-	-	-	-	-
Other	-	79	138	-	39	39	1 200	1 284	1 380
Museums	-	-	-	-	-	-	250	268	288
Dolos Festival	-	-	70	-	-	-	-	-	-
uMhlathuze Rangers	-	-	70	-	-	-	-	-	-
Mhlabafest	-	-	70	-	-	-	-	-	-
KZN Wildlife Gala Dinner	-	-	33	-	-	-	-	-	-
Zululand Spelling Bee	-	-	30	40	-	-	-	-	-
Youth gathering	-	-	223	155	25	25	-	-	-
Women Summit	-	-	-	40	32	32	-	-	-
Policy Formulation - People living with disab	-	-	5	10	-	-	-	-	-
Senior Citizens	-	-	-	40	20	20	-	-	-
World Aids Day	-	-	61	50	47	47	-	-	-
Children	-	-	-	15	74	74	-	-	-
Mens Summit	-	-	-	30	10	10	-	-	-
16 Days Activism	-	-	1	20	0	0	-	-	-
Freedom Day	-	-	-	60	-	-	-	-	-
Community outreach	-	-	144	250	255	255	-	-	-
Early Education centres	-	-	-	-	450	450	-	-	-
<b>Total Cash Transfers To Organisations</b>	<b>599</b>	<b>681</b>	<b>1 331</b>	<b>1 674</b>	<b>1 749</b>	<b>1 749</b>	<b>2 501</b>	<b>2 670</b>	<b>2 861</b>
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>599</b>	<b>681</b>	<b>1 331</b>	<b>1 674</b>	<b>1 749</b>	<b>1 749</b>	<b>2 501</b>	<b>2 670</b>	<b>2 861</b>
<b>Groups of Individuals</b>									
Rates Rebates and Exemptions	480	395	705	1 953	1 603	1 603	4 400	4 708	5 061
Indigent Services - Rates	309	(3)	(3)	283	400	400	500	535	575
Indigent Services - Electricity	605	222	212	250	1 151	1 151	1 381	1 477	1 588
Indigent Services - Water	348	(2)	(4)	100	518	518	619	662	712
Indigent Services - Sewerage	2 366	2 371	2 766	3 200	2 500	2 500	2 200	2 354	2 531
Indigent Services - Refuse Removal	1 528	1 596	1 814	2 100	1 850	1 850	1 650	1 766	1 898
Suid-Afrikaanse Vrouefederasie (SAVF) : Ag	-	-	-	-	-	-	-	-	-
Disaster Management	65	101	54	80	75	75	118	127	136
Indigent Burials	49	183	301	264	355	355	380	407	437
Burials - Councillor Requests	-	-	-	-	15	15	-	-	-
<b>Individuals:</b>	<b>5 750</b>	<b>4 862</b>	<b>5 846</b>	<b>8 230</b>	<b>8 467</b>	<b>8 467</b>	<b>11 248</b>	<b>12 036</b>	<b>12 938</b>
<b>TOTAL NON-CASH TRANSFERS AND GRAN</b>	<b>5 750</b>	<b>4 862</b>	<b>5 846</b>	<b>8 230</b>	<b>8 467</b>	<b>8 467</b>	<b>11 248</b>	<b>12 036</b>	<b>12 938</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>6 349</b>	<b>5 543</b>	<b>7 178</b>	<b>9 904</b>	<b>10 216</b>	<b>10 216</b>	<b>13 749</b>	<b>14 705</b>	<b>15 800</b>

## 2.8 Councillor and employee benefits

**Table 51 MBRR SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	8 635	9 771	10 895	14 332	14 332	14 332	14 451	15 463	16 623
Pension and UIF Contributions	1 307	1 467	1 636	1 896	1 896	1 896	2 203	2 358	2 534
Medical Aid Contributions	447	424	650	745	745	745	920	984	1 058
Motor Vehicle Allowance	3 463	3 412	2 922	3 246	3 246	3 246	3 859	4 130	4 439
Cellphone Allowance	734	789	831	888	888	888	1 315	1 407	1 512
Housing Allowances	–	–	–	192	192	192	201	215	232
Other benefits and allowances	–	–	215	230	230	230	227	243	261
<b>Sub Total - Councillors</b>	<b>14 586</b>	<b>15 863</b>	<b>17 148</b>	<b>21 529</b>	<b>21 529</b>	<b>21 529</b>	<b>23 176</b>	<b>24 799</b>	<b>26 660</b>
% increase		8.8%	8.1%	25.5%	–	–	7.7%	7.0%	7.5%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 665	4 443	4 740	5 070	5 031	5 031	5 475	5 859	6 299
Pension and UIF Contributions	312	340	467	500	505	505	657	704	756
Medical Aid Contributions	84	101	120	128	125	125	128	137	147
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	310	485	1 060	1 051	1 051	1 124	1 203	1 293
Motor Vehicle Allowance	1 203	1 329	1 476	1 563	1 490	1 490	1 383	1 480	1 591
Cellphone Allowance	–	100	120	128	120	120	129	138	148
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	255	194	288	318	366	366	398	426	458
Payments in lieu of leave	–	–	259	–	65	65	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 519</b>	<b>6 817</b>	<b>7 955</b>	<b>8 767</b>	<b>8 753</b>	<b>8 753</b>	<b>9 295</b>	<b>9 947</b>	<b>10 692</b>
% increase		23.5%	16.7%	10.2%	(0.2%)	–	6.2%	7.0%	7.5%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	215 688	234 134	257 078	295 177	298 007	298 007	334 750	358 184	385 051
Pension and UIF Contributions	33 955	39 008	47 677	48 693	52 586	52 586	70 857	75 822	81 514
Medical Aid Contributions	17 006	19 733	22 103	30 889	24 168	24 168	36 163	38 697	41 602
Overtime	25 954	27 268	26 267	25 834	28 251	28 251	30 592	32 581	34 700
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	21 046	23 074	26 511	31 460	31 262	31 262	36 794	39 374	42 330
Cellphone Allowance	–	925	1 087	1 467	1 325	1 325	2 000	2 142	2 305
Housing Allowances	4 148	3 755	3 672	4 637	4 052	4 052	4 450	4 764	5 124
Other benefits and allowances	37 884	29 277	32 322	58 439	34 386	34 386	40 850	43 717	47 317
Payments in lieu of leave	–	9 196	12 280	–	13 234	13 234	17 391	18 611	20 010
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	2 520	3 009	3 401	3 466	3 466	–	–	–
<b>Sub Total - Other Municipal Staff</b>	<b>355 681</b>	<b>388 890</b>	<b>432 005</b>	<b>499 997</b>	<b>490 737</b>	<b>490 737</b>	<b>573 846</b>	<b>613 893</b>	<b>659 954</b>
% increase		9.3%	11.1%	15.7%	(1.9%)	–	16.9%	7.0%	7.5%
<b>Total Parent Municipality</b>	<b>375 786</b>	<b>411 570</b>	<b>457 108</b>	<b>530 293</b>	<b>521 019</b>	<b>521 019</b>	<b>606 317</b>	<b>648 639</b>	<b>697 307</b>
		9.5%	11.1%	16.0%	(1.7%)	–	16.4%	7.0%	7.5%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>375 786</b>	<b>411 570</b>	<b>457 108</b>	<b>530 293</b>	<b>521 019</b>	<b>521 019</b>	<b>606 317</b>	<b>648 639</b>	<b>697 307</b>
% increase		9.5%	11.1%	16.0%	(1.7%)	–	16.4%	7.0%	7.5%
<b>TOTAL MANAGERS AND STAFF</b>	<b>361 200</b>	<b>395 707</b>	<b>439 960</b>	<b>508 764</b>	<b>499 490</b>	<b>499 490</b>	<b>583 141</b>	<b>623 840</b>	<b>670 647</b>

**Table 52 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
<b>Rand per annum</b>							
<b><u>Councillors</u></b>							
Speaker	1	412 506	106 858	198 813			718 177
Chief Whip	1	564 525	84 679	25 692			674 896
Executive Mayor	1	725 872	139 734	226 982			1 092 588
Deputy Executive Mayor	1	430 986	88 378	198 813			718 177
Executive Committee	10	4 950 083	990 166	1 622 495			7 562 744
Total for all other councillors	46	7 367 168	1 713 265	3 329 385			12 409 818
<b>Total Councillors</b>	<b>60</b>	<b>14 451 140</b>	<b>3 123 080</b>	<b>5 602 180</b>			<b>23 176 400</b>
<b><u>Senior Managers of the Municipality</u></b>							
Municipal Manager (MM)	1	925 446	197 996	315 371	198 182		1 636 995
Chief Finance Officer	1	1 032 603	1 802	312 075	185 255		1 531 735
Deputy Municipal Manager - Infrastructure and Technical Services	1	858 771	161 716	325 993	185 255		1 531 735
Deputy Municipal Manager - Corporate Services	1	906 109	159 150	281 221	185 255		1 531 735
Deputy Municipal Manager - City Development	1	858 771	161 716	325 993	185 255		1 531 735
Deputy Municipal Manager - Community Services	1	894 294	163 133	289 053	185 255		1 531 735
<b>Total Senior Managers of the Municipality</b>	<b>6</b>	<b>5 475 994</b>	<b>845 513</b>	<b>1 849 706</b>	<b>1 124 457</b>		<b>9 295 670</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>66</b>	<b>19 927 134</b>	<b>3 968 593</b>	<b>7 451 886</b>	<b>1 124 457</b>		<b>32 472 070</b>

**Table 53 MBRR SA24 – Summary of personnel numbers**

Summary of Personnel Numbers Number	2012/13			Current Year 2013/14			Budget Year 2014/15		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	60	60	–	60	60	–	60	60	–
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	6	6	–	6	6	–	6	6	–
Other Managers	13	5	–	15	9	–	15	9	–
Professionals	262	244	–	311	227	–	318	257	–
<i>Finance</i>	32	30	–	52	29	–	52	25	–
<i>Spatial/town planning</i>	30	26	–	34	22	–	34	23	–
<i>Information Technology</i>	7	7	–	7	7	–	7	9	–
<i>Roads</i>	25	22	–	25	19	–	25	16	–
<i>Electricity</i>	18	18	–	27	21	–	28	21	–
<i>Water</i>	11	11	–	17	14	–	17	15	–
<i>Sanitation</i>	11	11	–	11	11	–	11	11	–
<i>Refuse</i>	8	8	–	11	10	–	11	9	–
<i>Other</i>	120	111	–	127	94	–	133	128	–
Technicians	364	344	–	501	335	–	540	388	–
<i>Finance</i>	28	27	–	32	12	–	32	15	–
<i>Spatial/town planning</i>	23	19	–	25	9	–	25	16	–
<i>Information Technology</i>	5	5	–	6	5	–	6	4	–
<i>Roads</i>	25	23	–	30	28	–	30	26	–
<i>Electricity</i>	51	44	–	58	38	–	58	56	–
<i>Water</i>	26	26	–	26	23	–	26	25	–
<i>Sanitation</i>	23	23	–	24	22	–	24	25	–
<i>Refuse</i>	5	5	–	5	2	–	5	5	–
<i>Other</i>	178	172	–	295	196	–	334	216	–
Clerks (Clerical and administrative)	293	273	–	509	427	–	521	334	–
Service and sales workers	–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers	2	2	–	2	2	–	2	1	–
Craft and related trades	2	2	–	3	2	–	3	2	–
Plant and Machine Operators	69	69	–	81	63	–	84	71	–
Elementary Occupations	830	782	–	925	706	–	901	725	–
<b>TOTAL PERSONNEL NUMBERS</b>	<b>1 901</b>	<b>1 787</b>	<b>–</b>	<b>2 413</b>	<b>1 837</b>	<b>–</b>	<b>2 450</b>	<b>1 853</b>	<b>–</b>
<b>% increase</b>				26.9%	2.8%	–	1.5%	0.9%	–
<b>Total municipal employees headcount</b>	<b>1 901</b>	<b>1 787</b>	<b>–</b>	<b>2 413</b>	<b>1 837</b>	<b>–</b>	<b>2 450</b>	<b>1 853</b>	<b>–</b>
Finance personnel headcount	241	162	–	240	175	–	241	175	–
Human Resources personnel headcount	35	31	–	35	21	–	37	21	–

**2.9 Monthly targets for revenue, expenditure and cash flow**

Table 54 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>															
Property rates	26 167	26 167	26 167	26 167	26 167	26 167	26 167	26 167	26 167	26 167	26 167	26 166	314 000	345 400	379 940
Service charges - electricity revenue	115 417	115 417	115 417	115 417	115 417	115 417	115 417	115 417	115 417	115 417	115 417	115 416	1 385 000	1 495 800	1 615 464
Service charges - water revenue	17 050	17 050	17 050	17 050	17 050	17 050	17 050	17 050	17 050	17 050	17 050	17 050	204 600	222 922	242 887
Service charges - sanitation revenue	6 500	6 500	6 500	6 500	6 500	6 500	6 500	6 500	6 500	6 500	6 500	6 500	78 000	84 240	90 979
Service charges - refuse revenue	5 167	5 167	5 167	5 167	5 167	5 167	5 167	5 167	5 167	5 167	5 167	5 166	62 000	66 960	72 317
Service charges - other	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 044	12 561	13 440	14 380
Rental of facilities and equipment	686	686	686	686	686	686	686	686	686	686	686	686	8 234	8 810	9 426
Interest earned - external investments	884	884	884	884	884	884	884	884	884	884	884	883	10 605	11 135	11 692
Interest earned - outstanding debtors	129	129	129	129	129	129	129	129	129	129	129	127	1 542	1 650	1 766
Fines	740	740	740	740	740	740	740	740	740	740	740	739	8 877	9 499	10 163
Licences and permits	144	144	144	144	144	144	144	144	144	144	144	144	1 728	1 849	1 986
Agency services	529	529	529	529	529	529	529	529	529	529	529	529	6 350	6 795	7 270
Transfers recognised - operational	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 711	260 509	272 068	287 010
Other revenue	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 379	1 387	16 553	17 685	18 896
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 546</b>	<b>197 549</b>	<b>2 370 559</b>	<b>2 558 251</b>	<b>2 764 176</b>
<b>Expenditure By Type</b>															
Employee related costs	48 597	48 597	48 597	48 597	48 597	48 597	48 597	48 597	48 597	48 597	48 597	48 577	583 141	623 840	670 647
Remuneration of councillors	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	23 176	24 799	26 660
Debt impairment	254	254	254	254	254	254	254	254	254	254	254	254	3 050	3 264	3 508
Depreciation & asset impairment	15 199	15 199	15 199	15 199	15 199	15 199	15 199	15 199	15 199	15 199	15 199	15 201	182 390	207 970	239 935
Finance charges	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 465	77 614	78 455	76 574
Bulk purchases	91 375	91 375	91 375	91 375	91 375	91 375	91 375	91 375	91 375	91 375	91 375	91 375	1 096 502	1 184 766	1 280 238
Other materials	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	34 702	37 158	39 973
Contracted services	13 306	13 306	13 306	13 306	13 306	13 306	13 306	13 306	13 306	13 306	13 306	13 306	159 669	170 707	183 021
Transfers and grants	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 146	1 145	13 749	14 705	15 800
Other expenditure	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	15 771	189 254	189 533	203 094
<b>Total Expenditure</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 939</b>	<b>196 917</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit)</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>607</b>	<b>632</b>	<b>7 311</b>	<b>23 055</b>	<b>24 726</b>
Transfers recognised - capital	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 954	119 456	157 879	122 907
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 587</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>
<b>Surplus/(Deficit)</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 562</b>	<b>10 587</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>



**Table 55 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote 1 - CITY DEVELOPMENT	906	906	906	906	906	906	906	906	906	906	906	904	10 871	8 275	7 620
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 269	11 270	135 231	146 651	156 807
Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	848	848	848	848	848	848	848	848	848	848	848	849	10 179	10 814	11 662
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	451	451	451	451	451	451	451	451	451	451	451	454	5 418	6 280	6 590
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	29	29	29	29	29	29	29	29	29	29	29	30	346	370	396
Vote 6 - FINANCIAL SERVICES	28 020	28 020	28 020	28 020	28 020	28 020	28 020	28 020	28 020	28 020	28 020	28 018	336 236	368 882	404 768
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SERVICES	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	1 400 658	1 514 492	1 633 643
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	48 485	48 485	48 485	48 485	48 485	48 485	48 485	48 485	48 485	48 485	48 485	48 487	581 823	652 079	656 927
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROAD AND AIR	152	152	152	152	152	152	152	152	152	152	152	152	1 826	1 141	1 220
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING	441	441	441	441	441	441	441	441	441	441	441	441	5 288	4 857	5 002
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	178	178	178	178	178	178	178	178	178	178	178	178	2 138	2 288	2 447
<b>Total Revenue by Vote</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 504</b>	<b>2 490 015</b>	<b>2 716 129</b>	<b>2 887 082</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - CITY DEVELOPMENT	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 908	4 902	58 894	60 805	64 577
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	19 516	19 516	19 516	19 516	19 516	19 516	19 516	19 516	19 516	19 516	19 516	19 513	234 194	249 600	266 613
Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 083	12 067	144 983	154 296	163 201
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	2 316	2 316	2 316	2 316	2 316	2 316	2 316	2 316	2 316	2 316	2 316	2 308	27 785	27 240	26 574
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	373	373	373	373	373	373	373	373	373	373	373	370	4 476	4 751	5 065
Vote 6 - FINANCIAL SERVICES	124	124	124	124	124	124	124	124	124	124	124	132	1 493	1 593	1 708
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SERVICES	102 555	102 555	102 555	102 555	102 555	102 555	102 555	102 555	102 555	102 555	102 555	102 546	1 230 650	1 322 771	1 421 803
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	38 177	38 177	38 177	38 177	38 177	38 177	38 177	38 177	38 177	38 177	38 177	38 182	458 129	491 575	538 312
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROAD AND AIR	12 276	12 276	12 276	12 276	12 276	12 276	12 276	12 276	12 276	12 276	12 276	12 266	147 305	168 700	196 232
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING	3 650	3 650	3 650	3 650	3 650	3 650	3 650	3 650	3 650	3 650	3 650	3 654	43 809	41 595	42 277
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	961	961	961	961	961	961	961	961	961	961	961	957	11 530	12 270	13 090
<b>Total Expenditure by Vote</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 897</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit)</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 606</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>

Table 56 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>															
<b>Revenue - Standard</b>															
<i>Governance and administration</i>	28 693	28 693	28 693	28 693	28 693	28 693	28 693	28 693	28 693	28 693	28 693	28 693	344 317	378 500	414 807
Executive and council	14	14	14	14	14	14	14	14	14	14	14	15	165	177	189
Budget and treasury office	27 957	27 957	27 957	27 957	27 957	27 957	27 957	27 957	27 957	27 957	27 957	27 955	335 480	368 074	403 904
Corporate services	722	722	722	722	722	722	722	722	722	722	722	726	8 671	10 249	10 715
<i>Community and public safety</i>	3 516	3 516	3 516	3 516	3 516	3 516	3 516	3 516	3 516	3 516	3 516	3 519	42 195	40 805	42 217
Community and social services	814	814	814	814	814	814	814	814	814	814	814	814	9 765	10 368	11 182
Sport and recreation	192	192	192	192	192	192	192	192	192	192	192	194	2 311	2 472	2 644
Public safety	811	811	811	811	811	811	811	811	811	811	811	811	9 727	10 407	11 134
Housing	686	686	686	686	686	686	686	686	686	686	686	686	8 226	4 954	4 187
Health	1 014	1 014	1 014	1 014	1 014	1 014	1 014	1 014	1 014	1 014	1 014	1 015	12 166	12 605	13 070
<i>Economic and environmental services</i>	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 021	12 295	12 343	13 213
Planning and development	118	118	118	118	118	118	118	118	118	118	118	115	1 412	1 510	1 616
Road transport	907	907	907	907	907	907	907	907	907	907	907	907	10 884	10 832	11 597
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	174 231	174 231	174 231	174 231	174 231	174 231	174 231	174 231	174 231	174 231	174 231	174 231	2 090 766	2 284 010	2 416 340
Electricity	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	116 722	1 400 658	1 514 492	1 633 643
Water	29 790	29 790	29 790	29 790	29 790	29 790	29 790	29 790	29 790	29 790	29 790	29 792	357 476	408 616	397 778
Waste water management	19 113	19 113	19 113	19 113	19 113	19 113	19 113	19 113	19 113	19 113	19 113	19 112	229 357	248 029	263 845
Waste management	8 606	8 606	8 606	8 606	8 606	8 606	8 606	8 606	8 606	8 606	8 606	8 606	103 275	112 873	121 074
<i>Other</i>	37	37	37	37	37	37	37	37	37	37	37	38	441	472	505
<b>Total Revenue - Standard</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 501</b>	<b>207 504</b>	<b>2 490 015</b>	<b>2 716 129</b>	<b>2 887 082</b>
<b>Expenditure - Standard</b>															
<i>Governance and administration</i>	5 173	5 173	5 173	5 173	5 173	5 173	5 173	5 173	5 173	5 173	5 173	5 167	62 069	62 101	63 959
Executive and council	34	34	34	34	34	34	34	34	34	34	34	37	414	435	465
Budget and treasury office	112	112	112	112	112	112	112	112	112	112	112	116	1 349	1 439	1 542
Corporate services	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 015	60 306	60 227	61 952
<i>Community and public safety</i>	27 379	27 379	27 379	27 379	27 379	27 379	27 379	27 379	27 379	27 379	27 379	27 356	328 527	347 160	366 326
Community and social services	4 143	4 143	4 143	4 143	4 143	4 143	4 143	4 143	4 143	4 143	4 143	4 136	49 705	49 904	50 668
Sport and recreation	9 760	9 760	9 760	9 760	9 760	9 760	9 760	9 760	9 760	9 760	9 760	9 748	117 104	124 967	131 793
Public safety	9 461	9 461	9 461	9 461	9 461	9 461	9 461	9 461	9 461	9 461	9 461	9 456	113 528	121 241	129 459
Housing	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	1 276	15 313	16 160	17 084
Health	2 740	2 740	2 740	2 740	2 740	2 740	2 740	2 740	2 740	2 740	2 740	2 740	32 878	34 888	37 322
<i>Economic and environmental services</i>	17 512	17 512	17 512	17 512	17 512	17 512	17 512	17 512	17 512	17 512	17 512	17 507	210 139	234 346	266 014
Planning and development	3 180	3 180	3 180	3 180	3 180	3 180	3 177	3 180	3 180	3 180	3 180	3 178	38 151	38 424	41 117
Road transport	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 013	13 004	156 144	178 122	206 317
Environmental protection	1 320	1 320	1 320	1 320	1 320	1 320	1 320	1 320	1 320	1 320	1 320	1 325	15 843	17 799	18 580
<i>Trading services</i>	146 801	146 801	146 801	146 801	146 801	146 801	146 801	146 801	146 801	146 801	146 801	146 796	1 761 610	1 890 680	2 042 211
Electricity	100 414	100 414	100 414	100 414	100 414	100 414	100 414	100 414	100 414	100 414	100 414	100 406	1 204 958	1 295 418	1 392 869
Water	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 868	322 351	339 589	370 897
Waste water management	11 476	11 476	11 476	11 476	11 476	11 476	11 476	11 476	11 476	11 476	11 476	11 473	137 708	152 480	168 301
Waste management	8 050	8 050	8 050	8 050	8 050	8 050	8 050	8 050	8 050	8 050	8 050	8 048	96 593	103 194	110 143
<i>Other</i>	75	75	75	75	75	75	75	75	75	75	75	74	903	909	940
<b>Total Expenditure - Standard</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 938</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 941</b>	<b>196 900</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit)</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 563</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>10 604</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>

**Table 57 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Multi-year expenditure to be appropriated</b>															
Vote 1 - CITY DEVELOPMENT	50	50	–	–	40	–	68	–	–	60	–	–	268	270	343
Vote 2 - COMMUNITY SERVICES - HEALTH AND P	600	2 288	2 229	2 449	2 043	2 850	1 800	1 300	–	–	–	–	15 558	13 077	7 708
Vote 3 - COMMUNITY SERVICES - RECREATION A	–	2 055	2 350	2 901	2 700	2 030	580	500	500	500	–	–	14 116	15 027	31 745
Vote 4 - CORPORATE SERVICES - ADMINISTRATIO	500	1 160	915	1 450	1 775	1 375	1 675	1 775	1 675	1 375	1 163	375	15 213	31 146	41 302
Vote 5 - CORPORATE SERVICES - HUMAN RESOU	–	42	10	27	–	–	–	5	–	–	–	10	94	50	94
Vote 6 - FINANCIAL SERVICES	–	250	250	47	–	–	–	–	–	–	–	–	547	1 207	3 054
Vote 7 - INFRASTRUCTURE AND TECHNICAL SER	1 419	2 600	3 000	2 500	3 280	2 200	1 700	1 500	4 400	3 000	500	700	26 799	15 123	21 920
Vote 8 - INFRASTRUCTURE AND TECHNICAL SER	5 643	16 579	16 239	15 609	14 299	10 959	10 421	10 736	9 513	7 873	7 873	21 615	147 356	174 924	150 192
Vote 9 - INFRASTRUCTURE AND TECHNICAL SER	1 050	1 150	1 534	1 959	1 800	310	80	530	440	31	85	62	9 031	9 439	11 162
Vote 10 - INFRASTRUCTURE AND TECHNICAL SE	–	–	4 000	1 000	1 510	1 072	1 720	1 000	1 000	1 788	–	(0)	13 089	25 412	26 651
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	–	26	18	–	–	–	–	–	–	–	–	–	44	44	78
<b>Capital multi-year expenditure sub-total</b>	<b>9 262</b>	<b>26 199</b>	<b>30 545</b>	<b>27 941</b>	<b>27 446</b>	<b>20 795</b>	<b>18 044</b>	<b>17 346</b>	<b>17 528</b>	<b>14 627</b>	<b>9 621</b>	<b>22 762</b>	<b>242 115</b>	<b>285 719</b>	<b>294 248</b>
<b>Single-year expenditure to be appropriated</b>															
Vote 1 - CITY DEVELOPMENT	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - COMMUNITY SERVICES - HEALTH AND P	–	495	1 306	150	317	250	100	–	–	–	–	–	2 618	2 017	1 728
Vote 3 - COMMUNITY SERVICES - RECREATION A	–	100	161	267	81	110	–	–	–	–	–	–	719	955	3 773
Vote 4 - CORPORATE SERVICES - ADMINISTRATIO	–	250	915	660	454	50	223	250	–	–	–	–	2 802	2 252	4 765
Vote 5 - CORPORATE SERVICES - HUMAN RESOU	–	–	–	–	–	–	–	0	–	–	–	(0)	–	–	–
Vote 6 - FINANCIAL SERVICES	–	–	–	500	500	855	500	500	500	500	500	562	4 917	–	–
Vote 7 - INFRASTRUCTURE AND TECHNICAL SER	100	359	859	609	109	109	109	109	109	109	109	110	2 800	13 287	8 209
Vote 8 - INFRASTRUCTURE AND TECHNICAL SER	–	50	–	–	–	–	–	–	–	–	–	–	50	–	–
Vote 9 - INFRASTRUCTURE AND TECHNICAL SER	–	–	80	200	110	130	50	120	60	–	–	20	770	400	3 423
Vote 10 - INFRASTRUCTURE AND TECHNICAL SE	–	–	–	1 132	–	–	1 516	–	–	–	–	–	2 648	4 174	4 727
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>	<b>100</b>	<b>1 254</b>	<b>3 322</b>	<b>3 518</b>	<b>1 570</b>	<b>1 504</b>	<b>2 498</b>	<b>979</b>	<b>669</b>	<b>609</b>	<b>609</b>	<b>692</b>	<b>17 323</b>	<b>23 084</b>	<b>26 624</b>
<b>Total Capital Expenditure</b>	<b>9 362</b>	<b>27 453</b>	<b>33 866</b>	<b>31 459</b>	<b>29 016</b>	<b>22 299</b>	<b>20 542</b>	<b>18 325</b>	<b>18 197</b>	<b>15 236</b>	<b>10 230</b>	<b>23 453</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>

**Table 58 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	–	818	4 693	3 956	3 163	2 977	4 759	2 505	2 500	3 288	1 288	572	30 519	54 236	70 933
Executive and council	–	26	18	–	44	–	–	–	–	–	–	–	88	88	150
Budget and treasury office	–	250	250	547	500	855	500	500	500	500	500	562	5 464	1 207	3 054
Corporate services	–	542	4 425	3 409	2 619	2 122	4 259	2 005	2 000	2 788	788	10	24 967	52 941	67 729
<i>Community and public safety</i>	<b>1 600</b>	<b>5 584</b>	<b>8 916</b>	<b>7 977</b>	<b>6 945</b>	<b>3 895</b>	<b>2 455</b>	<b>2 325</b>	<b>1 175</b>	<b>875</b>	<b>375</b>	<b>375</b>	<b>42 497</b>	<b>41 342</b>	<b>57 145</b>
Community and social services	500	2 215	2 475	2 020	2 075	1 455	1 375	1 525	1 175	875	375	375	16 440	13 289	14 958
Sport and recreation	–	850	1 451	2 008	1 781	1 060	80	–	–	–	–	–	7 230	12 742	30 298
Public safety	1 100	2 405	3 799	3 350	2 485	1 300	1 000	800	–	–	–	–	16 239	12 700	11 282
Housing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health	–	115	1 191	599	604	80	–	–	–	–	–	–	2 588	2 611	608
<i>Economic and environmental services</i>	<b>1 100</b>	<b>1 200</b>	<b>1 644</b>	<b>2 309</b>	<b>2 100</b>	<b>460</b>	<b>298</b>	<b>650</b>	<b>500</b>	<b>91</b>	<b>85</b>	<b>82</b>	<b>10 519</b>	<b>10 409</b>	<b>15 227</b>
Planning and development	50	50	–	–	40	–	68	–	–	60	–	–	268	270	343
Road transport	1 050	1 150	1 644	2 309	2 060	460	230	650	500	31	85	82	10 251	10 139	14 884
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	<b>6 662</b>	<b>19 851</b>	<b>18 613</b>	<b>17 218</b>	<b>16 808</b>	<b>14 968</b>	<b>13 030</b>	<b>12 845</b>	<b>14 022</b>	<b>10 982</b>	<b>8 482</b>	<b>22 425</b>	<b>175 903</b>	<b>202 817</b>	<b>177 567</b>
Electricity	1 019	2 459	2 359	1 609	2 509	2 309	1 809	1 609	4 509	3 109	609	810	24 719	23 493	23 875
Water	5 643	11 533	11 483	11 158	9 858	6 508	5 993	5 993	3 620	2 500	2 500	1 200	77 991	92 661	61 828
Waste water management	–	5 096	4 756	4 451	4 441	4 451	4 428	4 743	5 893	5 373	5 373	20 415	69 415	82 262	88 364
Waste management	–	763	15	–	–	1 700	800	500	–	–	–	–	3 778	4 400	3 500
<i>Other</i>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Standard</b>	<b>9 362</b>	<b>27 453</b>	<b>33 866</b>	<b>31 459</b>	<b>29 016</b>	<b>22 299</b>	<b>20 542</b>	<b>18 325</b>	<b>18 197</b>	<b>15 236</b>	<b>10 230</b>	<b>23 454</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>
<b>Funded by:</b>															
National Government	3 993	12 986	13 486	13 486	13 236	9 186	8 686	8 486	6 113	4 993	4 993	19 815	119 456	157 879	122 907
Transfers recognised - capital	3 993	12 986	13 486	13 486	13 236	9 186	8 686	8 486	6 113	4 993	4 993	19 815	119 456	157 879	122 907
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing	4 203	9 662	13 862	9 716	8 384	6 384	6 254	5 529	8 899	6 489	3 489	2 630	85 500	90 000	125 000
Internally generated funds	1 166	4 806	6 519	8 258	7 397	6 730	5 602	4 310	3 185	3 754	1 748	1 009	54 482	60 925	72 965
<b>Total Capital Funding</b>	<b>9 362</b>	<b>27 453</b>	<b>33 866</b>	<b>31 459</b>	<b>29 016</b>	<b>22 299</b>	<b>20 542</b>	<b>18 325</b>	<b>18 197</b>	<b>15 236</b>	<b>10 230</b>	<b>23 454</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>

Table 59 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Cash Receipts By Source</b>													1		
Property rates	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	313 500	344 865	379 365
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	111 865	111 865	111 865	111 865	111 865	111 865	111 865	111 865	111 865	111 865	111 865	111 860	1 342 375	1 449 779	1 565 768
Service charges - water revenue	16 392	16 392	16 392	16 392	16 392	16 392	16 392	16 392	16 392	16 392	16 392	16 390	196 702	214 399	233 685
Service charges - sanitation revenue	6 140	6 140	6 140	6 140	6 140	6 140	6 140	6 140	6 140	6 140	6 140	6 145	73 685	79 602	85 982
Service charges - refuse revenue	4 891	4 891	4 891	4 891	4 891	4 891	4 891	4 891	4 891	4 891	4 891	4 887	58 688	63 400	68 481
Service charges - other	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 044	12 561	13 440	14 380
Rental of facilities and equipment	686	686	686	686	686	686	686	686	686	686	686	688	8 234	8 810	9 426
Interest earned - external investments	884	884	884	884	884	884	884	884	884	884	884	881	10 605	11 135	11 692
Interest earned - outstanding debtors	129	129	129	129	129	129	129	129	129	129	129	123	1 542	1 650	1 766
Fines	740	740	740	740	740	740	740	740	740	740	740	737	8 877	9 499	10 163
Licences and permits	144	144	144	144	144	144	144	144	144	144	144	144	1 728	1 849	1 986
Agency services	529	529	529	529	529	529	529	529	529	529	529	531	6 350	6 795	7 270
Transfer receipts - operational	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 709	21 710	260 509	272 068	287 010
Other revenue	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 171	14 096	15 107	16 188
<b>Cash Receipts by Source</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 456</b>	<b>192 436</b>	<b>2 309 452</b>	<b>2 492 395</b>	<b>2 693 161</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 955	9 951	119 456	157 879	122 907
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	10 000	10 000	10 000	10 000
Borrowing long term/refinancing	-	-	-	-	-	85 500	-	-	-	-	-	-	85 500	90 000	125 000
<b>Total Cash Receipts by Source</b>	<b>202 411</b>	<b>202 411</b>	<b>202 411</b>	<b>202 411</b>	<b>202 411</b>	<b>287 911</b>	<b>202 411</b>	<b>202 411</b>	<b>202 411</b>	<b>202 411</b>	<b>202 411</b>	<b>212 387</b>	<b>2 524 408</b>	<b>2 750 274</b>	<b>2 951 068</b>
<b>Cash Payments by Type</b>															
Employee related costs	47 623	47 623	47 623	47 623	47 623	47 623	47 623	47 623	47 623	47 623	47 623	47 625	571 478	611 363	657 234
Remuneration of councillors	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 931	1 935	23 176	24 799	26 660
Finance charges	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 468	6 466	77 614	78 455	76 574
Bulk purchases - Electricity	83 905	83 905	83 905	83 905	83 905	83 905	83 905	83 905	83 905	83 905	83 905	83 908	1 006 863	1 087 412	1 174 404
Bulk purchases - Water & Sewer	7 470	7 470	7 470	7 470	7 470	7 470	7 470	7 470	7 470	7 470	7 470	7 470	89 640	97 355	105 833
Other materials	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 892	2 890	34 702	37 158	39 973
Contracted services	13 062	13 062	13 062	13 062	13 062	13 062	13 062	13 062	13 062	13 062	13 062	13 057	156 739	167 572	179 651
Transfers and grants - other	250	250	250	250	250	250	250	250	250	250	250	249	2 999	3 203	3 435
Other expenditure	11 770	11 770	11 770	11 770	11 770	11 770	11 770	11 770	11 770	11 770	11 770	11 764	141 234	137 622	147 004
<b>Cash Payments by Type</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 371</b>	<b>175 365</b>	<b>2 104 446</b>	<b>2 244 937</b>	<b>2 410 768</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	27 854	27 854	27 854	27 854	27 854	27 854	27 854	27 854	27 854	27 854	27 854	27 854	334 248	294 047	317 298
Repayment of borrowing	10 245	10 245	10 245	10 245	10 245	10 245	10 245	10 245	10 245	10 245	10 245	10 243	122 938	128 273	131 617
<b>Total Cash Payments by Type</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 470</b>	<b>213 463</b>	<b>2 561 633</b>	<b>2 667 256</b>	<b>2 859 683</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>74 441</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>(11 059)</b>	<b>(1 076)</b>	<b>(37 225)</b>	<b>83 017</b>	<b>91 385</b>
Cash/cash equivalents at the month/year begin:	374 671	363 612	352 553	341 494	330 435	319 376	393 817	382 758	371 699	360 640	349 581	338 522	374 671	337 446	420 464
Cash/cash equivalents at the month/year end:	363 612	352 553	341 494	330 435	319 376	393 817	382 758	371 699	360 640	349 581	338 522	337 446	337 446	420 464	511 849

## **2.10 Contracts having future budgetary implications**

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Table 60 MBRR SA33 - Contracts having future budgetary

Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>													
<b>Parent Municipality:</b>													
<b>Revenue Obligation By Contract</b>													
Continental Outdoor	-	-	96	351	-	-	-	-	-	-	-	-	447
Busse Branding	-	-	726	787	878	967	-	-	-	-	-	-	3 358
Emp Konige Trading	-	-	95	105	85	-	-	-	-	-	-	-	284
R/B Konige Trading	-	-	88	97	107	56	-	-	-	-	-	-	349
Outdoor Network	-	-	198	218	240	264	-	-	-	-	-	-	919
Snezane Nikolic	-	-	22	-	-	-	-	-	-	-	-	-	22
Primedia Ad Lites	-	-	697	767	843	-	-	-	-	-	-	-	2 307
Primedia Billboards	-	-	79	87	96	105	-	-	-	-	-	-	368
Continental Outdoor	-	-	9	-	-	-	-	-	-	-	-	-	9
Continental Citi Lites	-	-	319	3 561	-	-	-	-	-	-	-	-	3 881
Primedia B/B	-	-	84	-	-	-	-	-	-	-	-	-	84
Outdoor Network	-	-	61	-	-	-	-	-	-	-	-	-	61
Directsign	-	-	33	66	73	80	88	-	-	-	-	-	339
Primedia T/A Comuatnet	-	-	198	218	240	264	290	-	-	-	-	-	1 211
Primedia Primelte	-	-	72	79	87	96	105	-	-	-	-	-	440
Contract 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue Implication</b>	-	-	2 777	6 336	2 649	1 831	484	-	-	-	-	-	14 077
<b>Expenditure Obligation By Contract</b>													
KwaZulu Natal Sharks Board	1 720	1 863	1 892	2 013	2 152	2 281	2 418	2 563	2 717	2 880	3 052	3 236	28 784
Richards Bay Country Club/Bowling Club	-	350	368	391	418	443	470	498	528	559	593	629	5 246
Various Contractors	-	-	1 736	1 840	1 950	2 067	2 192	2 323	2 462	2 767	2 767	2 933	23 037
Various Contractors	-	-	524	555	589	633	661	701	743	844	844	885	6 979
Removal of Health Care Waste - 3 years	-	200	211	223	235	848	262	261	276	291	307	325	3 438
Occupational doctor	-	409	409	431	4 540	480	506	534	563	594	627	662	9 755
Antivirus and Gwava Filter	238	139	153	164	176	188	201	215	231	247	264	282	2 498
SepSesam (backup)	18	106	116	125	134	143	153	164	176	188	201	215	1 739
GWAFA Retain (Archiving)	-	-	320	120	129	138	148	158	169	181	194	207	1 764
ESS (Fire and Rescue)	80	98	115	123	132	142	151	162	173	186	199	212	1 773
Fujitsu promis Financial System Licenses	1 066	625	631	675	726	777	831	889	952	1 018	1 089	1 166	10 445
Fujitsu promis Financial System SLA	339	184	336	360	386	414	442	473	507	542	580	621	5 184
Finstel - Old Empangeni Financial System	41	-	-	-	-	-	-	-	-	-	-	-	41
FMA - Fleet Management	84	48	-	-	-	-	-	-	-	-	-	-	132
ESRI GIS Enterprise License Agreement	1 164	695	765	818	879	941	1 007	1 077	1 153	1 233	1 320	1 412	12 464
Knowledge Civil Designer	361	193	212	227	244	261	280	299	320	343	366	392	3 498
DVTDM Plan System	38	22	24	26	28	30	32	34	36	39	42	45	396
Payday - SLA	117	301	331	354	381	408	436	467	499	534	572	612	5 012
Payday License Agreement	334	204	224	240	258	276	296	316	338	362	387	414	3 653
WatchGuard (Firewall)	20	26	29	31	33	35	38	40	43	46	49	53	443
Microsoft Enterprise License Agreement (OPEX)	3 000	1 505	2 700	1 600	1 720	1 840	1 969	2 107	2 255	2 412	2 581	2 762	26 451
Novell MLA	2 066	1 426	2 540	1 500	1 613	1 725	1 846	1 975	2 114	2 262	2 420	2 589	24 076
ITRON Prepaid Electricity System	2 406	1 684	1 852	1 982	2 131	2 280	2 439	2 610	2 793	2 988	3 198	3 421	29 784
Delegate Audio System	-	52	58	62	66	71	76	81	87	93	99	106	851
COMSOL Wireless Radio Network SLA	400	243	267	286	307	329	352	377	403	431	461	494	4 350
Mochetek UPS SLA	18	193	212	227	244	261	280	299	320	343	366	392	3 155
IS Business Internet ADSI Agreement	201	100	110	118	127	136	145	155	166	178	190	204	1 830
Neotel Fibre Internet Link	131	131	144	154	166	177	190	203	217	232	248	266	2 259
Coretalk	101	59	65	69	74	79	85	91	97	104	111	119	1 054
Nashua - MPS	-	-	2 112	2 260	2 429	2 599	2 781	2 976	3 184	3 407	3 646	3 901	29 295
EOH - PBX Rental	-	1 027	1 130	1 209	1 300	1 391	1 488	1 593	1 704	1 823	1 951	2 088	16 704
V & V Consulting	-	951	1 018	1 089	1 166	1 247	1 334	1 428	1 528	1 635	1 749	1 871	15 016
R & H Rail	-	109	109	117	125	134	143	153	164	175	187	200	1 616
Lincor Services	-	910	973	1 041	1 115	1 193	1 276	1 366	1 461	1 564	1 673	1 790	14 362
Clifso Trading	-	958	1 025	1 097	1 174	1 256	1 344	1 438	1 538	1 646	1 761	1 884	15 121
Enuf Distributors	-	903	966	1 034	1 106	1 183	1 266	1 355	1 450	1 551	1 660	1 776	13 250
Silver Solutions	-	941	1 006	1 076	1 152	1 232	1 319	1 411	1 510	1 615	1 728	1 849	14 839
Golden Rewards	-	1 109	1 186	1 269	1 358	1 453	1 555	1 663	1 780	1 904	2 038	2 180	17 495
Hkule Development Enterprise	-	1 055	1 208	1 293	1 383	1 480	1 583	1 694	1 813	1 940	2 076	2 221	17 746
Ashambe Womens Contractors	-	1 179	1 261	1 349	1 444	1 545	1 653	1 769	1 892	2 167	2 318	2 481	19 058
Lekhisa Trade Contractors	-	1 176	1 258	1 346	1 440	1 541	1 649	1 764	1 888	2 020	2 161	2 313	18 556
BBNM	-	1 131	1 210	1 295	1 385	1 482	1 586	1 697	1 816	1 943	2 079	2 225	17 849
UIS/Meluvuyo	-	1 158	1 227	1 301	1 379	-	-	-	-	-	-	-	5 065
<b>Total Operating Expenditure Implication</b>	13 943	23 463	32 032	31 490	37 794	34 139	36 882	39 379	42 066	45 287	48 154	51 432	436 063
<b>Capital Expenditure Obligation By Contract</b>													
Shombe Contracts CC	2	-	-	-	-	-	-	-	-	-	-	-	2
Mamis Construction	2	2	-	-	-	-	-	-	-	-	-	-	4
Isidingo Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Nitiyso Consulting	-	2 100	-	-	-	-	-	-	-	-	-	-	2 100
<b>Total Capital Expenditure Implication</b>	4	2 102	-	-	-	-	-	-	-	-	-	-	2 106
<b>Total Parent Expenditure Implication</b>	13 947	25 565	32 032	31 490	37 794	34 139	36 882	39 379	42 066	45 287	48 154	51 432	438 169

## 2.11 Capital expenditure details

The following three tables present details of the City's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table 61 MBRR SA34a - Capital expenditure on new assets by asset class**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	(133)	12 356	28 026	101 358	79 505	107 652	53 620	92 192	72 791
Infrastructure - Road transport	14	(79)	964	12 892	17 345	17 151	7 617	7 300	10 150
Roads, Pavements & Bridges	14	(79)	964	12 892	17 345	17 151	7 617	7 300	10 150
Infrastructure - Electricity	(96)	10 800	12 599	36 271	42 664	23 774	17 503	14 910	17 934
Transmission & Reticulation	(96)	10 800	11 289	34 513	39 074	22 633	14 903	9 993	14 180
Street Lighting	-	-	1 310	1 758	3 590	1 140	2 600	4 917	3 754
Infrastructure - Water	(424)	1 227	10 834	32 774	2 989	50 656	19 500	54 382	25 707
Reticulation	(424)	1 227	10 834	32 774	2 989	50 656	19 500	54 382	25 707
Infrastructure - Sanitation	372	408	3 629	16 353	16 504	16 069	9 000	15 600	17 500
Reticulation	372	408	3 629	16 353	16 504	16 069	9 000	15 600	17 500
Infrastructure - Other	-	-	-	3 068	3	3	-	-	1 500
Waste Management	-	-	-	3 068	3	3	-	-	1 500
<b>Community</b>	54	1 352	9 865	27 723	54 792	29 276	9 643	16 239	22 609
Parks & gardens	-	-	-	1 300	1 331	1 431	1 350	1 000	1 800
Sportsfields & stadia	54	644	709	9 104	8 722	8 722	3 711	9 650	15 774
Swimming pools	-	85	487	1 641	1 405	1 405	53	189	272
Community halls	-	-	1 546	4 411	3 854	3 854	2 950	3 600	2 500
Libraries	-	-	485	2 108	1 804	1 813	945	240	1 680
Recreational facilities	-	-	125	7 510	10 431	10 431	-	30	433
Fire, safety & emergency	-	-	-	499	643	1 155	450	80	100
Security and policing	-	-	467	-	6	70	-	-	-
Clinics	-	-	-	1 151	352	396	184	1 450	50
Social rental housing	-	623	6 046	-	26 244	-	-	-	-
<b>Investment properties</b>	-	8 309	2 258	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	8 309	2 258	-	-	-	-	-	-
<b>Other assets</b>	161	1 600	16 677	44 285	41 905	39 375	43 569	44 730	60 052
General vehicles	-	-	5 109	5 430	7 080	6 567	11 236	13 820	12 481
Specialised vehicles	-	28	872	-	4 700	1 500	-	-	-
Plant & equipment	25	265	3 086	15 450	13 191	14 133	10 903	11 074	17 609
Computers - hardware/equipment	-	644	4 897	9 126	4 831	7 235	7 928	7 846	10 981
Furniture and other office equipment	4	225	1 756	2 198	1 924	2 836	1 033	1 660	3 097
Civic Land and Buildings	122	424	152	7 923	3 147	1 986	9 099	1 630	3 375
Other Buildings	10	14	805	3 418	3 551	4 577	3 370	8 699	12 510
Other Land	-	-	-	741	3 481	541	-	-	-
<b>Intangibles</b>	-	1 570	5 363	2 782	1 195	1 195	1 000	15 000	25 276
Computers - software & programming	-	1 570	5 363	2 782	1 195	1 195	1 000	15 000	25 276
Other (list sub-class)	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>82</b>	<b>25 187</b>	<b>62 189</b>	<b>176 149</b>	<b>177 397</b>	<b>177 498</b>	<b>107 831</b>	<b>168 161</b>	<b>180 728</b>
<b>Specialised vehicles</b>	-	28	872	-	4 700	1 500	-	-	-
Refuse	-	28	872	-	4 700	1 500	-	-	-
Fire	-	-	872	-	-	-	-	-	-
<b>Renewal of Existing Assets as % of total capex</b>	0.1%	28.9%	54.1%	52.0%	37.9%	37.9%	41.6%	54.5%	56.3%
<b>Renewal of Existing Assets as % of deprecn"</b>	0.1%	32.2%	57.4%	121.3%	122.2%	122.2%	59.1%	80.9%	75.3%



**Table 62 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	(133)	12 356	28 026	101 358	79 505	107 652	53 620	92 192	72 791
Infrastructure - Road transport	14	(79)	964	12 892	17 345	17 151	7 617	7 300	10 150
Roads, Pavements & Bridges	14	(79)	964	12 892	17 345	17 151	7 617	7 300	10 150
Infrastructure - Electricity	(96)	10 800	12 599	36 271	42 664	23 774	17 503	14 910	17 934
Transmission & Reticulation	(96)	10 800	11 289	34 513	39 074	22 633	14 903	9 993	14 180
Street Lighting	-	-	1 310	1 758	3 590	1 140	2 600	4 917	3 754
Infrastructure - Water	(424)	1 227	10 834	32 774	2 989	50 656	19 500	54 382	25 707
Reticulation	(424)	1 227	10 834	32 774	2 989	50 656	19 500	54 382	25 707
Infrastructure - Sanitation	372	408	3 629	16 353	16 504	16 069	9 000	15 600	17 500
Reticulation	372	408	3 629	16 353	16 504	16 069	9 000	15 600	17 500
Infrastructure - Other	-	-	-	3 068	3	3	-	-	1 500
Waste Management	-	-	-	3 068	3	3	-	-	1 500
<b>Community</b>	54	1 352	9 865	27 723	54 792	29 276	9 643	16 239	22 609
Parks & gardens	-	-	-	1 300	1 331	1 431	1 350	1 000	1 800
Sportsfields & stadia	54	644	709	9 104	8 722	8 722	3 711	9 650	15 774
Swimming pools	-	85	487	1 641	1 405	1 405	53	189	272
Community halls	-	-	1 546	4 411	3 854	3 854	2 950	3 600	2 500
Libraries	-	-	485	2 108	1 804	1 813	945	240	1 680
Recreational facilities	-	-	125	7 510	10 431	10 431	-	30	433
Fire, safety & emergency	-	-	-	499	643	1 155	450	80	100
Security and policing	-	-	467	-	6	70	-	-	-
Clinics	-	-	-	1 151	352	396	184	1 450	50
Social rental housing	-	623	6 046	-	26 244	-	-	-	-
<b>Investment properties</b>	-	8 309	2 258	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	8 309	2 258	-	-	-	-	-	-
<b>Other assets</b>	161	1 600	16 677	44 285	41 905	39 375	43 569	44 730	60 052
General vehicles	-	-	5 109	5 430	7 080	6 567	11 236	13 820	12 481
Specialised vehicles	-	28	872	-	4 700	1 500	-	-	-
Plant & equipment	25	265	3 086	15 450	13 191	14 133	10 903	11 074	17 609
Computers - hardware/equipment	-	644	4 897	9 126	4 831	7 235	7 928	7 846	10 981
Furniture and other office equipment	4	225	1 756	2 198	1 924	2 836	1 033	1 660	3 097
Civic Land and Buildings	122	424	152	7 923	3 147	1 986	9 099	1 630	3 375
Other Buildings	10	14	805	3 418	3 551	4 577	3 370	8 699	12 510
Other Land	-	-	-	741	3 481	541	-	-	-
<b>Intangibles</b>	-	1 570	5 363	2 782	1 195	1 195	1 000	15 000	25 276
Computers - software & programming	-	1 570	5 363	2 782	1 195	1 195	1 000	15 000	25 276
Other (list sub-class)	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>82</b>	<b>25 187</b>	<b>62 189</b>	<b>176 149</b>	<b>177 397</b>	<b>177 498</b>	<b>107 831</b>	<b>168 161</b>	<b>180 728</b>
<b>Specialised vehicles</b>	-	28	872	-	4 700	1 500	-	-	-
Refuse	-	28	872	-	4 700	1 500	-	-	-
Fire	-	-	-	-	-	-	-	-	-
<b>Renewal of Existing Assets as % of total capex</b>	0.1%	28.9%	54.1%	52.0%	37.9%	37.9%	41.6%	54.5%	56.3%
<b>Renewal of Existing Assets as % of deprecn"</b>	0.1%	32.2%	57.4%	121.3%	122.2%	122.2%	59.1%	80.9%	75.3%

**Table 63 MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>139 427</b>	<b>145 192</b>	<b>177 319</b>	<b>205 060</b>	<b>215 991</b>	<b>215 991</b>	<b>240 963</b>	<b>257 526</b>	<b>275 816</b>
Infrastructure - Road transport	41 550	41 967	58 242	71 075	75 576	75 576	88 799	94 952	101 974
Roads, Pavements & Bridges	41 550	41 967	58 242	71 075	75 576	75 576	88 799	94 952	101 974
Infrastructure - Electricity	35 920	39 211	42 715	60 251	60 715	60 715	66 048	70 572	75 487
Transmission & Reticulation	29 197	31 217	33 221	48 241	48 554	48 554	52 206	55 761	59 566
Street Lighting	6 723	7 994	9 494	12 010	12 161	12 161	13 842	14 811	15 921
Infrastructure - Water	36 286	39 004	46 869	45 078	48 213	48 213	51 156	54 599	58 343
Reticulation	36 286	39 004	46 869	45 078	48 213	48 213	51 156	54 599	58 343
Infrastructure - Sanitation	24 401	23 588	25 976	27 459	30 223	30 223	33 744	36 098	38 606
Reticulation	24 401	23 588	25 976	27 459	30 223	30 223	33 744	36 098	38 606
Infrastructure - Other	1 270	1 421	3 517	1 197	1 265	1 265	1 216	1 305	1 406
Waste Management	-	-	0	2	2	2	3	4	5
Transportation	787	901	699	953	1 028	1 028	1 017	1 089	1 170
Other	483	520	2 818	242	235	235	197	213	232
<b>Community</b>	<b>38 022</b>	<b>43 195</b>	<b>50 821</b>	<b>53 633</b>	<b>53 749</b>	<b>53 749</b>	<b>60 930</b>	<b>65 865</b>	<b>69 694</b>
Parks & gardens	30 618	35 302	42 819	43 386	43 588	43 588	48 687	52 960	55 686
Sportsfields & stadia	1 243	1 227	1 430	1 629	1 286	1 286	1 741	1 868	2 011
Swimming pools	1 334	1 265	1 435	1 203	1 223	1 223	1 602	1 591	1 715
Community halls	926	1 003	1 218	1 157	1 879	1 879	1 965	2 111	2 279
Libraries	709	557	640	643	672	672	773	832	898
Recreational facilities	2 240	2 674	2 479	3 204	3 045	3 045	3 423	3 669	3 941
Fire, safety & emergency	-	-	-	227	181	181	222	239	258
Security and policing	-	-	-	173	447	447	204	218	234
Museums & Art Galleries	21	35	6	42	46	46	48	51	55
Cemeteries	931	1 134	796	1 434	1 006	1 006	1 860	1 893	2 148
Social rental housing	-	-	-	535	378	378	404	434	468
<b>Other assets</b>	<b>24 444</b>	<b>28 144</b>	<b>30 340</b>	<b>34 477</b>	<b>34 118</b>	<b>34 068</b>	<b>42 888</b>	<b>44 641</b>	<b>48 576</b>
General vehicles	11 554	14 422	15 103	15 210	15 274	15 274	17 202	18 348	19 657
Plant & equipment	3 962	4 845	4 286	4 526	4 770	4 720	5 101	5 458	5 867
Furniture and other office equipment	9	5	7	-	15	15	-	-	-
Civic Land and Buildings	8 819	8 705	10 798	14 705	14 058	14 058	20 247	20 474	22 663
Other Buildings	100	167	147	37	-	-	338	362	389
<b>Total Repairs and Maintenance Expenditure</b>	<b>201 893</b>	<b>216 531</b>	<b>258 480</b>	<b>293 170</b>	<b>303 858</b>	<b>303 808</b>	<b>344 780</b>	<b>368 032</b>	<b>394 086</b>
<b>R&amp;M as a % of PPE</b>	<b>4.5%</b>	<b>5.0%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>6.8%</b>	<b>6.8%</b>	<b>8.1%</b>	<b>8.6%</b>	<b>9.0%</b>
<b>R&amp;M as % Operating Expenditure</b>	<b>14.2%</b>	<b>13.2%</b>	<b>13.9%</b>	<b>14.7%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.6%</b>	<b>14.5%</b>	<b>14.4%</b>

**Table 64 MBRR SA34d – Depreciation by asset class**

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>59 952</b>	<b>60 670</b>	<b>77 503</b>	<b>100 296</b>	<b>111 385</b>	<b>100 296</b>	<b>121 705</b>	<b>122 009</b>	<b>119 326</b>
Infrastructure - Road transport	17 777	11 499	12 646	25 618	27 664	25 618	24 398	23 615	22 067
Roads, Pavements & Bridges	17 065	10 916	11 817	24 275	26 247	24 275	24 398	23 615	22 067
Storm water	712	583	829	1 344	1 417	1 344	–	–	–
Infrastructure - Electricity	18 431	17 490	21 038	24 772	26 941	24 772	30 779	28 529	27 764
Transmission & Reticulation	17 460	16 251	19 705	23 570	26 411	23 570	30 779	28 529	27 764
Street Lighting	972	1 240	1 332	1 202	530	1 202	–	–	–
Infrastructure - Water	15 594	20 207	30 281	32 613	37 267	32 613	42 615	44 548	44 420
Dams & Reservoirs	1 141	1 758	1 950	1 991	–	1 991	42 615	44 548	44 420
Reticulation	14 453	18 449	28 331	30 622	37 267	30 622	–	–	–
Infrastructure - Sanitation	8 149	11 474	13 519	16 933	17 209	16 933	22 913	24 197	24 015
Reticulation	7 761	7 252	8 163	11 703	11 979	11 703	22 913	24 197	24 015
Sewerage purification	388	4 222	5 356	5 231	5 231	5 231	–	–	–
Infrastructure - Other	0	0	19	359	2 304	359	1 000	1 121	1 061
Waste Management	–	–	–	340	2 282	340	561	824	824
Other	0	0	19	18	22	18	439	297	237
<b>Community</b>	<b>5 423</b>	<b>5 074</b>	<b>11 861</b>	<b>13 613</b>	<b>13 828</b>	<b>13 613</b>	<b>17 698</b>	<b>17 946</b>	<b>17 221</b>
Parks & gardens	250	–	–	10	62	10	427	733	713
Sportsfields & stadia	17	537	2 745	5 495	6 094	5 495	4 573	4 708	4 708
Swimming pools	344	266	288	690	769	690	914	955	752
Community halls	83	84	330	737	863	737	776	795	782
Libraries	23	23	287	405	560	405	698	724	540
Recreational facilities	962	459	3 045	1 119	1 494	1 119	3 830	3 261	2 977
Fire, safety & emergency	3 387	–	10	–	239	–	455	704	704
Security and policing	18	3 377	3 873	2 420	21	2 420	21	21	1
Clinics	7	7	10	13	59	13	60	60	60
Museums & Art Galleries	–	–	–	97	97	97	–	–	–
Cemeteries	156	131	161	530	530	530	653	693	693
Social rental housing	–	–	1 111	2 098	3 040	2 098	3 866	3 866	3 866
Other	176	189	–	–	–	–	1 425	1 425	1 425
<b>Investment properties</b>	<b>–</b>	<b>–</b>	<b>32</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>551</b>	<b>544</b>	<b>544</b>
Other	–	–	32	–	–	–	551	544	544
<b>Other assets</b>	<b>11 063</b>	<b>12 009</b>	<b>17 678</b>	<b>29 589</b>	<b>37 130</b>	<b>29 589</b>	<b>40 189</b>	<b>35 553</b>	<b>31 002</b>
General vehicles	2 565	4 057	5 538	10 702	11 459	10 702	9 255	7 067	7 067
Specialised vehicles	480	529	2 885	667	3 624	667	1 410	1 390	1 104
Plant & equipment	1 633	1 618	1 873	2 755	5 609	2 755	7 633	5 574	4 813
Computers - hardware/equipment	2 397	1 550	2 399	1 001	2 683	1 001	6 920	8 649	8 507
Furniture and other office equipment	298	241	552	1 179	1 031	1 179	3 285	1 073	585
Civic Land and Buildings	2 996	3 153	3 452	7 283	7 584	7 283	8 548	8 651	5 776
Other Buildings	694	860	980	4 560	2 926	4 560	2 332	2 330	2 330
Other Land	–	–	–	1 443	2 216	1 443	805	819	819
<b>Intangibles</b>	<b>2 612</b>	<b>490</b>	<b>1 316</b>	<b>1 720</b>	<b>1 599</b>	<b>1 720</b>	<b>2 244</b>	<b>1 917</b>	<b>1 842</b>
Computers - software & programming	2 612	490	1 316	1 720	1 599	1 720	2 244	1 917	1 842
<b>Total Depreciation</b>	<b>79 050</b>	<b>78 242</b>	<b>108 390</b>	<b>145 218</b>	<b>163 943</b>	<b>145 218</b>	<b>182 388</b>	<b>177 970</b>	<b>169 935</b>

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b><u>Depreciation by Asset Class/Sub-class</u></b>									
<b><u>Infrastructure</u></b>	<b>59 952</b>	<b>60 670</b>	<b>77 503</b>	<b>100 296</b>	<b>111 385</b>	<b>100 296</b>	<b>121 705</b>	<b>122 009</b>	<b>119 326</b>
Infrastructure - Road transport	17 777	11 499	12 646	25 618	27 664	25 618	24 398	23 615	22 067
Roads, Pavements & Bridges	17 065	10 916	11 817	24 275	26 247	24 275	24 398	23 615	22 067
Storm water	712	583	829	1 344	1 417	1 344	-	-	-
Infrastructure - Electricity	18 431	17 490	21 038	24 772	26 941	24 772	30 779	28 529	27 764
Transmission & Reticulation	17 460	16 251	19 705	23 570	26 411	23 570	30 779	28 529	27 764
Street Lighting	972	1 240	1 332	1 202	530	1 202	-	-	-
Infrastructure - Water	15 594	20 207	30 281	32 613	37 267	32 613	42 615	44 548	44 420
Dams & Reservoirs	1 141	1 758	1 950	1 991	-	1 991	42 615	44 548	44 420
Reticulation	14 453	18 449	28 331	30 622	37 267	30 622	-	-	-
Infrastructure - Sanitation	8 149	11 474	13 519	16 933	17 209	16 933	22 913	24 197	24 015
Reticulation	7 761	7 252	8 163	11 703	11 979	11 703	22 913	24 197	24 015
Sewerage purification	388	4 222	5 356	5 231	5 231	5 231	-	-	-
Infrastructure - Other	0	0	19	359	2 304	359	1 000	1 121	1 061
Waste Management	-	-	-	340	2 282	340	561	824	824
Other	0	0	19	18	22	18	439	297	237
<b><u>Community</u></b>	<b>5 423</b>	<b>5 074</b>	<b>11 861</b>	<b>13 613</b>	<b>13 828</b>	<b>13 613</b>	<b>17 698</b>	<b>17 946</b>	<b>17 221</b>
Parks & gardens	250	-	-	10	62	10	427	733	713
Sportsfields & stadia	17	537	2 745	5 495	6 094	5 495	4 573	4 708	4 708
Swimming pools	344	266	288	690	769	690	914	955	752
Community halls	83	84	330	737	863	737	776	795	782
Libraries	23	23	287	405	560	405	698	724	540
Recreational facilities	962	459	3 045	1 119	1 494	1 119	3 830	3 261	2 977
Fire, safety & emergency	3 387	-	10	-	239	-	455	704	704
Security and policing	18	3 377	3 873	2 420	21	2 420	21	21	1
Clinics	7	7	10	13	59	13	60	60	60
Museums & Art Galleries	-	-	-	97	97	97	-	-	-
Cemeteries	156	131	161	530	530	530	653	693	693
Social rental housing	-	-	1 111	2 098	3 040	2 098	3 866	3 866	3 866
Other	176	189	-	-	-	-	1 425	1 425	1 425
<b><u>Investment properties</u></b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>551</b>	<b>544</b>	<b>544</b>
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	32	-	-	-	551	544	544
<b><u>Other assets</u></b>	<b>11 063</b>	<b>12 009</b>	<b>17 678</b>	<b>29 589</b>	<b>37 130</b>	<b>29 589</b>	<b>40 189</b>	<b>35 553</b>	<b>31 002</b>
General vehicles	2 565	4 057	5 538	10 702	11 459	10 702	9 255	7 067	7 067
Specialised vehicles	480	529	2 885	667	3 624	667	1 410	1 390	1 104
Plant & equipment	1 633	1 618	1 873	2 755	5 609	2 755	7 633	5 574	4 813
Computers - hardware/equipment	2 397	1 550	2 399	1 001	2 683	1 001	6 920	8 649	8 507
Furniture and other office equipment	298	241	552	1 179	1 031	1 179	3 285	1 073	585
Civic Land and Buildings	2 996	3 153	3 452	7 283	7 584	7 283	8 548	8 651	5 776
Other Buildings	694	860	980	4 560	2 926	4 560	2 332	2 330	2 330
Other Land	-	-	-	1 443	2 216	1 443	805	819	819
<b><u>Intangibles</u></b>	<b>2 612</b>	<b>490</b>	<b>1 316</b>	<b>1 720</b>	<b>1 599</b>	<b>1 720</b>	<b>2 244</b>	<b>1 917</b>	<b>1 842</b>
Computers - software & programming	2 612	490	1 316	1 720	1 599	1 720	2 244	1 917	1 842
Other (list sub-class)	-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	<b>79 050</b>	<b>78 242</b>	<b>108 390</b>	<b>145 218</b>	<b>163 943</b>	<b>145 218</b>	<b>182 388</b>	<b>177 970</b>	<b>169 935</b>
<b><u>Specialised vehicles</u></b>	<b>480</b>	<b>529</b>	<b>2 885</b>	<b>667</b>	<b>3 624</b>	<b>667</b>	<b>1 410</b>	<b>1 390</b>	<b>1 104</b>
Refuse	-	350	2 585	-	2 885	-	672	672	672
Fire	480	179	300	667	739	667	739	719	432

**Table 65 MBRR SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
CITY DEVELOPMENT	CBD SOUTH EXTENSION SOUTH OF GULDENGRACHT	666	2 940			
	COMB BINDER AND A3 LAMINATOR		6			
	ERF 8038 BIRDSWOOD (BHENGU)	15	26			
	ERF 8083 BIRDSWOODS(BHENGU)	14				
	ERF H1766 ESIKHAWINI (INTOKOZO ROAD) ( DLAMINI)	86	86			
	ESIKHALENI REFURBISH HOSTELS	6 046	26 244			
	MANDLAZINI AGRI-VILLAGE		123			
	MANDLAZINI AIRPORT BUFFER STRIP		41			
	MUNICIPAL WETLAND MANAGEMENT PLAN PHASE 1		200			
	MZINGAZI VILLAGE		500			
	OFFICE AMENDMENTS	1				
	OFFICE FURNITURE	129	106	268	270	343
	PROTECTION OF NKOSI MQEDI'S GRAVE		250			
	SIGNAGE	97				
	STEEL BRIDGE AND MZINGAZI CANAL		2			
	UMZINGWENYA INFORMAL SETTLEMENTS	131				
	WATERFRONT DEVELOPMENT	36				
COMMUNITY SERVICES - HEALTH AND PUBLIC	DIVIDER AND COLLECTOR KITTING's	-	-	132		
	6 x MULTIPURPOSE NOZZLE (BRANCHES)	-	-	-	15	-
	70 X PERSONNEL LOCKERS	-	140			
	71 X PERSONNEL LOCKERS	-	-	-	-	100
	8 x EDUCTOR AND FOAM NOZZLE				40	
	80 PORTABLE TWO WAY RADIOS			90		
	AGRICULTURAL PROJECTS					7
	AIR POLLUTION EQUIPMENT		4 500	20	21	100
	AIRCONDITIONERS	61	2	35	20	20
	ALARM (SECURITY PROJECT)			20	-	300
	ALARM SYSTEM			49	30	30
	ALTON TRANSFER STATION - CAPPING					1 500
	AMENDMENTS TO STRONGROOM AND EYE ARE		28	30		

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
COMMUNITY SERVICES - HEALTH AND PUBL	BASE TWO WAY RADIOS			15		
	CCTV CAMERA			300	300	
	COMPUTER HARDWARE/EQUIPMENT	23				
	CONSTRUCTION OF NEW INFORMAL TRADING STALLS		7 423			
	CONTAINERS FOR STRUCTURAL FIRE FIGHTING		40			
	CUBICLES - RICHARDS BAY AND EMPANGENI		108			
	DARKENING OF WINDOWS - VARIOUS CLINICS		86			
	DECONTAMINATION SHOWER SET				71	
	DEEP FREEZERS			60		
	EMPANGENI AND RICHARDS BAY FIRE STATION - GYM EQUIPMENT					1 100
	EMPANGENI FIRE STATION - EXTENSION FIRE ENGINE MACHINE BAY				80	
	EMPANGENI FIRE STATION -CONSTRUCTION OF ADDITIONAL THREE OFFICES		240			
	EMPANGENI FIRE STATION -CONSTRUCTION OF LECTURE ROOM			250		
	EQUIPMENT - MZINGAZI CLINIC				96	30
	EQUIPMENT - ALL CLINICS	118	339	200	100	106
	EQUIPMENT - MATERNITY SECTION			300	40	40
	EQUIPMENT PARK HOME (EMPANGENI)			80	30	30
	ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT		5 083	9 526	2 000	
	ESTABLISHMENT TRANSFER STATION ESELENI FOR RECYCLING		1 200	500	700	
	ESTABLISHMENT TRANSFER STATION ESIKHALENI FOR RECYCLING		1 200	500	700	
	ESTABLISHMENT TRANSFER STATION MZINGAZI AGRI-VILLAGE		1 200	500	700	
	ESTABLISHMENT TRANSFER STATION NGWELEZANE		1 200	500	700	
	EXTENSION LADDER -2 TO 3 SECTION 10m TO 15m					56
	FENCING: EMPANGENI CLINIC			100		
	FIRE SERVICES		130	150	200	300
	GAS MONITOR					47
	GENERATORS			600	600	
	HYDRAULIC JACK			28		
	INDUSTRIAL WASHING MACHINE	6	-			

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
COMMUNITY SERVICES - HEALTH AND PUBL	MEREENSEE DROP OFF POINT RECYCLING	20	–			
	NEW BUILDING MZINGAZI CLINIC - BUILT-IN CUPBOARDS				1 200	
	OFFICE FURNITURE	162	546	431	330	152
	OXY ACETYLENE EQUIPMENT			26		
	PARK HOME : EMPANGENI			700		
	PARK HOME R/BAY CLINIC - TB PATIENTS		505			
	PARTIONING AT ALTON DEPOT (WASTE MNGT)	53	1			
	PLANT AND EQUIPMENT	24	27	713	25	40
	PPE WASHING MACHINE			9		
	RADIATION MONITOR					47
	REDUCER FITTING			23		
	RENOVATIONS - BRACKENHAM CLINIC				200	
	RENOVATIONS - STAFF TOILET BRACKENHAM CLINIC		70			
	REPLACEMENT OF 6 STAND ALONE AIRCONDITIONERS			62		
	REPLACEMENT OF BLINDS IN OFFICES AND TOILET FACILITIES			15		
	REPLACEMENT OF GYM EQUIPMENT					368
	RICHARDS BAY FIRE BRIGADE - STRUCTURAL UPGRADES, CARPORTS AND ACCESS GATE		460	200		
	RICHARDS BAY FIRE STATION - PLAN AND CONSTRUCT PHASE ONE			328	5 000	3 000
	SAFE STORAGE FACILITY		555			
	SHELVING - RICHARDS BAY FIRE STATION	21	3			
	SKIPS		1 400	1 500	1 500	2 000
	SPECIALISED EQUIPMENT - ROPES FOR RESCUE AND ACCESORIES				327	
	TECHNILAMPS			145	70	70
	TINT WINDOWS AND GLASS DOOR		17			
	TRUCK WASHING EQUIPMENT	30		40		
	UPGRADE ALARMS		64			
	UPGRADE OF AIR CONDITIONING SYSTEM IN EMPANGENI		29			

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>COMMUNITY SERVICES - RECREATION AND</b>	ABLUTION FACILITIES AT MANDLAZINI			200	300	540
	AIRCONDITIONERS	23	36	30	60	80
	ALARM SYSTEM	74	6			
	AQUADENE LIBRARY		1 500	4 500	1 500	
	BA SETS : VARIOUS POOLS			20	21	22
	BEACH DEVELOPMENT (RESTAURANT)		500			400
	BEACH EQUIPMENT	52	68	20	100	
	BEACH EQUIPMENT - MALIBU BOARDS				105	
	BRACKENHAM LIBRARY ROOF			30		
	CARPETS R/BAY LIBRARY					100
	CASH REGISTERS VARIOUS POOLS			5		
	COMPONENTS FOR LAWMOWER	122	78	100	200	200
	CONSTRUCTION OF COMBI COURT AT MANDLAZINI			380		
	EMPANGENI LIBRARY - EXTENSION AUTOMATED FRONT DOOR				80	
	EMPANGENI LIBRARY - REPL OF CARPET	131	5			
	EMPANGENI LIBRARY AIRCONDITIONERS	91				
	EMPANGENI PARKS DEPT ABLUTIONS - REFURBISHMENT		662	350		
	ENSELENI LIBRARY - EXTENSION					1 500
	ESIK LIBRARY - EXTENSION		1 490	805		
	ESIKHALENI COLLEGE COURTS UPGRADE		450	450	450	500
	ESIKHALENI EXTENSION/DEVELOPMENT OF CEMETARY	147	100	100		2 000
	ESIKHALENI LIBRARY AIRCONDITIONERS	112				
	ESIKHLENI COLLEGE - SPORT FIELDS REHABILITATION	140	115			
	ESKHALENI PARKS DEPOT - STEEL LOCKERS	4	61			
	EXTRACTOR FANS				8	9
	FILTER FOR SWIMMING POOLS		150	20	21	22
	FILTER PLANT - ARBORETUM AND EMPANGENI POOL	76				
	FIRE EQUIPMENT VARIOUS POOLS			20	105	110
	FLOODLIGHTS - VARIOUS SPORTSFIELDS		5 812	1 000	5 600	10 000



**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>COMMUNITY SERVICES - RECREATION AND</b>	HAND MOWERS, CHAIN SAWS, BRUSH CUTTERS, POLE PRUNER	242	413	200	–	400
	INFORMATION SIGNAGE		10		30	33
	INSTALLATION OF BOLLARDS AT VARIOUS SPORT FIELDS				100	110
	INSTALLATION OF STADIUM PAVILLION ROOF					5 800
	INVESTIGATION FOR FUTURE CEMETERIES				500	
	IRRIGATION AT NGWELEZANE NEW FIELD			300		
	IRRIGATION SYSTEM				160	
	IRRIGATION SYSTEM AT CENTRAL SPORT COMPLEX			200	200	250
	J2 TENNIS COURT - UPGRADE		450			
	NEW FIELD COURTS - UPGRADE		930	250		390
	NGWELEZANE LIBRARY - AIRCONDITIONERS, CARPETS, LIGHTING AND BURGLAR GUARDS		200			
	NGWELEZANE NEW FIELD IRRIGATION SYSTEM					333
	NSELENI LIBRARY - AIRCONDITIONERS	55	5			
	NSELENI LIBRARY - AIRCONDITIONERS, CARPETS, LIGHTING AND BURGLAR GUAR	–	100			
	OFFICE FURNITURE	337	87	78	137	206
	PA SYSTEM			3		
	PARKS DEVELOPMENT		670	1 000	1 000	1 800
	PLANT AND EQUIPMENT	240	–	20		
	PLAYGROUND EQUIPMENT	110	225	150	150	200
	PORTABLE TOILETS ON A TRAILER		50			
	R/ BAY LIBRARY - EXTENSION AUTOMATED FRONT DOOR			80		
	R/BAY EXTENSION/DEVELOPMENT OF CEMETARY	490	596	2 000	1 000	1 500
	R/BAY LIBRARY - EXTENSION TABLES ,CHAIRS AND SHELVES				100	
	R/BAY LIBRARY - REPL OF CARPET IN GROUP ACTIVITY ROOM	27	4			
	R/BAY LIBRARY - REPLACE FRONT DESK	69				
	R/BAY LIBRARY - SECURITY FENCE		60			
	RBCC IMPROVEMENTS CLUB FACILITIES	314				
	REFRIGERATOR FOR MUSEUM		5			

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>COMMUNITY SERVICES - RECREATION AND</b>	REFURBISHMENT OF ABLUTION FACILITIES AT VULINDLELA			350		386
	REFURBISHMENT OF STADIUM LEAKAGES		300			
	REGIONAL FACILITIES IRRIGATION SYSTEM		200			400
	REPLACE CHANGE ROOM WINDOWS			23		
	REPLACEMENT OF CRICKET NETS AND MATS AT SPORT COMPLEX			100		150
	REPLACEMENT OF GUARD HOUSES AT VARIOUS SPORT FACILITIES				400	450
	REPLACEMENT OF PERIMETER FENCE AT UMHLATHUZE STADIUM				1 000	1 100
	REPLACEMENT RIDE-ON MOWERS		948	500		800
	REPLACEMENT SLASHER LAWNMOWERS	60	202			300
	SECURITY BURGLAR GATE VELDENVLEI SPORT COMPLE	43				
	SHOWER DOORS		4			
	SITTING AT MUZUVUKILE					1 000
	SPORTS FACILITIES - EQUIPMENT	273	1 611		700	1 466
	SPORTSFIELD EQUIPMENT		67			
	STAFF REST ROOMS - VARIOUS POOLS		500	100		
	SWIMMING POOLS - ANTI-TURBULANCE LANES		45			88
	SWIMMING POOLS - BRAAI FACILITIES					49
	SWIMMING POOLS - COUNTER CUPBOARDS		3			
	SWIMMING POOLS - DRAINAGE SYSTEM		25			
	SWIMMING POOLS - EQUIPMENT		100	30	105	110
	SWIMMING POOLS - EXTRACTOR FANS		5			
	SWIMMING POOLS - LAPAS		50			40
	SWIMMING POOLS - NEW AND RELACEMENT CHLORINATORS		140			300
	SWIMMING POOLS - PUMPS		13	10		14
	SWIMMING POOLS - SIGNAGE		30			50
	SWIMMING POOLS - TOILET SYSTEM		100	-		
	TELEPHONE SYSTEM FOR ESIKHALENI CEMETERY	129	0	-		
	TOURISM DEVELOPMENT	112	9 921	-		
	TRAILERS WITH RAMPS			81	-	98

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>COMMUNITY SERVICES - RECREATION AND</b>	UPGRADE ABLUTION FACILITIES AT SPORT COMPLEX				500	500
	UPGRADE ACCESS CONTROL AT MANDLANZINI			30		
	UPGRADE BAY HALL POOL	191	190			
	UPGRADE CHANGEROOMS - NGWELEZANE		79			
	UPGRADE DEPOT AT CENTRAL SPORT COMPLEX			100		
	UPGRADE ESIKHALENI POOL (COLLEGE)	142	58			
	UPGRADE ESKHALENI PARKS DEPOT	7	725			
	UPGRADE FILTER - NSELENI POOL		60			
	UPGRADE IRRIGATION SYSTEM AT MANDLANZINI			100	200	
	UPGRADING RURAL SPORTSFIELDS		940	1 100	1 000	1 400
	UPGRADING SPORT & RECREATION - BRACKENHAM		150			
	VARIOUS SPORTSFIELDS - GOAL POSTS		142		150	160
	WASHBAYS - CENTRAL SPORTS COMPLEX					150
<b>CORPORATE SERVICES - ADMINISTRATION</b>	200 x LOCKERS (ESIKHALENI AND ALTON DEPOTS REFUSE)			200		
	AGRICULTURAL PROJECTS			44	44	72
	AIR CONDITONER FOR ESIKHALENI SUPERINTENDENT		3			
	AIR CONDITONER FOR SPORT AND RECREATION		8			
	AIR CURTAIN AND REMOVAL OF MAIN DOOR RATES HALL - CIVIC CENTRE R/BAY			20		
	AIRCONDITIONERS	505	525	55	19	21
	AIRPORT UPGRADE	2 258				
	ALTERATIONS TO CENTRAL REGISTRY OFFICES			123	123	
	AQUADENE GREENFIELDS SERVICE CENTRE				200	
	AQUADENE HALL - GREENFIELDS					1 100
	AQUADENE HALL - REFURBISHMENT OF THE HALL				500	300
	BIG SCREEN - FINANCIAL SERVICES		25			
	BLINDS RATES HALL - CIVIC CENTRE R/BAY			40		
	BRACKENHAM COMPLEX				600	
	BUILDING ALTERATIONS - SCIENTIFIC SERVICES BUILDING		1 000			

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>CORPORATE SERVICES - ADMINISTRATION</b>	CCTV SYSTEM - ALKANDSTRAND BEACH BUILDING					276
	CEILING FANS (REFUSE SECTION)				30	
	CIVIC CENTRE - ROOFING AND WATER PROOFING	264	316			
	CIVIC HALL - CONSTRUCTION			3 000		
	COMPUTER HARDWARE /EQUIPMENT	9 228	7 594	7 928	7 846	9 981
	CONSTRUCTION : CANTEEN (EMPANGENI AND ESIKHALENI) (REFUSE)			300		
	CONSTRUCTION OF STORE ROOM (ALTON & EMPANGENI) (REFUSE)			200		
	DATA POINTS	6	10			
	DATA POINTS - SCM		45			
	DATA PROJECTOR COUNCIL CHAMBERS	120	39			
	DATA PROJECTOR/DIGITAL DISPLAY MEDIA COUNCIL CHAMBERS/EXCO/AUDITORIUM		165			
	DIGITAL VOICE RECORDING - FINANCIAL SERVICES		15			
	DISASTER MANAGEMENT SYSTEM (DCSH)				250	
	DMS ARCHIVES COMPLIANCE		169			
	ELECTRICAL APPLIANCES FOR GOBANDLOVU HALL		9			
	ELECTRICAL APPLIANCES FOR MANDLANKALA HALL		8			
	EMPANGENI HALL - UPGRADE	641	929	350		
	ENSELENI HALL - UPGRADE (CONSTRUCT FENCING AND LIFT FOR DISABLED)			500	400	
	ERECTION OF DRY WALL	33				
	ESIKHALENI SERVICES DEPOT - REFURBISHMENT				1 000	1 800
	EXECUTIVE AND COUNCIL PROJECTS		173			
	EXTENSION OF EMPANGENI TRUCK WASH BAY (REFUSE)			80		
	EXTENSION OF TRACK WASHER ROOM (REFUSE)			50		
	FINANCIAL ERP SYSTEM		1 000	500	15 000	25 000
	GIS DATABASE ENHANCEMENTS AND CAPTURING	364		500		
	GOBANDLOVU HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT	395	586			
	HAND TERMINALS FOR INDIGENT REGISTRATION				86	
	HLANGANANI HALL - PARKING					1 400
	ICT RESEARCH AND DEVELOPMENT (R&D)		96			

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>CORPORATE SERVICES - ADMINISTRATION</b>	INDUSTRIAL FANS X 2 - NGWELEZANE (FINANCIAL SERVICES)		8			
	INDUSTRIAL FLOOR POLISHER/VACCUM CLEANER	36	46			
	INDUSTRIAL STOVE FOR EMPANGENI HALL		11			
	INSTALLATION OF CAMERA MAYOR AREA	8				
	INSTALLATION OF CAMERA OUTSIDE PARKING AREA	116				
	INSTALLATION OF GEYSERS AT SERVICE CENTRE (WATER & SANITATION)		129			
	INTANGIBLES	1 646	26			
	INTEGRATED WATER QUALITY MANAGEMENET SYSTEM (ITS WATER & SANITATION)		505			
	INTERNAL CCTV CAMERA	279				
	LAPTOP - CHIEF LABOUR RELATIONS OFFICER		15			
	LAPTOP DOCKING STATION AND SCREENS		45			
	LAPTOP MANAGER: ELECTRICTY SUPPLY SERVICES		4			
	MADLANZINI HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)		586			
	MANDLAKALA HALL - REFURBISHMENT	140	758	250		
	MICROPHONE AND WEBCAM FOR DMMS FINANCIAL SERVICES		10			
	NEW HALL - EXTENSION			500	900	300
	NGWELEZANE HALL - EXTENSION		350	900	300	
	NHLANGENYUKA HALL - REFURBISHMENT		200			
	NHLANGENYUKA HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)			550	400	
	NOTEBOOKS FOR WATER AND SANITATION		38			
	NTUZE HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)				500	500
	OFFICE FURNITURE	10	295	30	10	30
	PARK HOME CLINIC - NETWORK INFRASTRUCTURE SERVICES			60		
	PARTITIONING OF SUPERVISORS OFFICE : ALTON DEPOT (REFUSE)			100		
	PC & 1 x FLAT SCREEN FOR MECHANICAL SERVICES		10			
	IT EQUIPMENT		8			1 000
	PREPAID MAG CARD PRINTER (FINANCIAL SERVICES)			25		

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>CORPORATE SERVICES - ADMINISTRATION</b>	RE-DESIGNING OFFICE SPACE	12	43			
	RENOVATIONS - CIVIC CENTRE		1 000	–		
	RENOVATIONS - FINANCIALSERVICES	80				
	RENOVATIONS BRANCH OFFICES					910
	REPLACE DELEGATE SYSTEM - COUNCIL CHAMBERS		528			
	REPLACEMENT OF AIRCONDITIONERS D235 AND D331A (ELECTRICAL)		14			
	RESEALING OF ROOF (ROADS)		75			
	REVAMP - MZINGAZI HALL	370			600	600
	ROLLER DOOR AND CARWASH FACILITY AT EMPANGENI DEPOT (REFUSE)			100		
	SHELTERS AT RECYCLING STATIONS (REFUSE)				1 400	1 000
	STRUCTURAL /DESIGN BRANCH OFFICES			190		
	TELEMETRY (COMMUNITY SERVICES)		100			
	UMSASANDLA THUSONG CENTRE - EXTENSION		430	700	300	
	UPGRADE LABORATORY		515			
	UPGRADE OF WASTE MANAGEMENT DEPOT AND OFFICES IN EMPANGENI	55	305			
	UPGRADE TRAINING CENTRE		52			
	VELDENVLEI HALL - REFURBISHMENT			600		
	VULINDLELA HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)				900	
	WESTERN SERVICES DEPOT - REFURBISHMENT			150	2 000	1 800
	WORKSTATION OFFICE H01-07 (COMMUNITY SERVICES)		9			
<b>CORPORATE SERVICES - HUMAN RESOURC</b>	HUMAN RESOURCES PROJECTS		15	20	15	20
	LION ALCOMETERES WITH SOFTWARE	12		10	5	10
	OFFICE FURNITURE	4	2	14	10	14
	SAFETY EQUIPMENT - EVACUATION CHAIRS			20	10	20
	STEEL SHELIVING FOR SHE ADMINISTRATOR		3			

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
<b>FINANCIAL SERVICES</b>	COMPUTER HARDWARE /EQUIPMENT	13				
	FINANCIAL SERVICES			547	1 207	3 054
	GPS FOR REVENUE SECTION		10			
	INTANGIBLES	61				
	NOTE COUNTER		32			
	OFFICE FURNITURE	172	107			
	RENOVATIONS FINANCIAL SERVICES SECTION			4 917		
<b>INFRASTRUCTURE AND TECHNICAL SERVICES</b>	11 KV SWITCHING SUBSTATIONS	119	800			
	132 AND 11KV NETWORK PROTECTION GRADING		1 500			
	132 KV SUBSTATIONS	396	292			
	ADDITIONAL STREETLIGHTS FOR MZINGAZI	323				
	AIRCONDITIONERS	21				
	B1030 NGWELEZANE	550				
	BRACKENHAM 4WAY RMU REPLACEMENT	175				
	CAPELLA SWITCHING STATION		250			
	CAPELLA SWITCHING STATION BUILDING					5 000
	CLAMP ON AMPMETER INSTRUMENTS		90			
	COMPUTER HARDWARE /EQUIPMENT	3				
	CONNECTIONS (FEES) EXTENSIONS DOMESTIC	2 013				
	CONNECTIONS (FEES) EXTENSIONS INDUSTRIAL	2 517				
	CONSULTANT FOR HYDRA SUBSTATION		116			
	CYGNUS MV SWITCHGEAR REPLACEMENT			14 000		
	DC SYSTEMS REPLACEMENTS (BATTERIES)		841			
	DUMISANE MAKHAYE VILLAGE ELECTRIFICATION		2 970			
	DUMISANI MAKHAYE VILLAGE ELECTRIFICATION		11 113	4 200	8 750	4 725
	ELECTRICAL TOOLS	65	59	16		16
	ELECTRIFICATION OF MANDLAZINI AREA		6 750	2 600	3 250	2 925

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
INFRASTRUCTURE AND TECHNICAL SERVICE	EMPANGENI MAIN ROAD INTERSECTION	810	640	1 000		
	ENERGY LOSSES PROJECT	1 115	4 785	1 300		
	ENERGY MANAGEMENT	1 141	6 683			
	ESIKHALENI - REPLACE XLPE MEDIUM VOLTAGE CABLE WITH PAPER INSULATED CABLE			500	2 873	6 500
	ESIKHALENI INFILLS	45	455			
	HYDRA 132KV SUPPLY (APPOINTMENT OF CONSULTANT)			403		
	HYDRA SUBSTATION	5 713	975		2 000	
	IDZ 1A -10MVA		16 237			
	IMPROVEMENT OF ABLUTION FACILITIES -ELECTRICAL WORKSHOP	35	880			
	INFRA RED SCANNER/CAMERA AND EQUIPMENT					679
	INSTALLATION OF POWER MONITORING EQUIPMENT	560	740		770	
	INSTALLATION RISI LOCKING MECHANISMS 200 MINI	89				
	JOHN ROSS INTERCHANGE 132kv SUBSTATION AND CYGNUS AND NGOYE 132KV DOUBLE CIRCUIT OVERHEAD LINE			500		
	JOHN ROSS/EMPANGENI MAIN STREETLIGHTING	304	4 361	2 280	4 917	
	LOAD DISTURBANCE RECORDER	204	5		-	
	MANDLANKALA STREETLIGHTING PROJECT		2 450			
	MANDLANKALA/ MAHOLOHOLO STREETLIGHTING PROJECT			1 600		3 754
	METERING OF 132KV AND 11KV FEEDERS				2 000	
	MICROWAVE AND FRIDGE		7			
	NETWORK MASTER PLAN		1 500			
	NEW 132KV BREAKERS		4 734			
	NGWELEZANE IDT RETICULATION MODIFICATION				2 000	
	NGWELEZANE MAIN	21				
	NGWELEZANE MAIN REBUILD - REPLACEMENT OF SWITCHSTATION		8 267			
	NYATHI (NDLOVU) S/S TWO 4-WAY RMU'S		355			
	OFFICE AMENDMENTS	1				
	OFFICE FURNITURE	35	68			
	PARTIAL DISCHARGE TESTER		25			
	PD TESTER AUXILLARY EQUIPMENT		25			



**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
INFRASTRUCTURE AND TECHNICAL SERVICES	PLANT AND EQUIPMENT	546				
	PROTECTION RELAY - HYDRA SUBSTATION		59			
	REBUILDING CAPELLA SUBSTATION					2 530
	REPLACEMENT OF STREETLIGHT POLE IN ESIKHALENI	200				
	REPLACEMENT OF STREETLIGHT POLES EMPANGENI	300				
	RETICULATION EXTENSIONS		174		100	
	RICHARDS BAY -GULDENGRACHT ROAD & JOHN ROSS					-
	RURAL AREAS - STREETLIGHTING					2 500
	SHELTER GLOBE - GLOBE CRUSHING MACHINE		100			
	STREETLIGHTING		500			
	SWITCHING FLASH PROTECTION SUITS		120			
	TOOLS (METER INSTRUMENTS)		65		250	150
	UPGRADE AQUILA SUBSTATION	181				
	UPGRADE SIRIUS SUBSTATION		7 127			
	VULINDELA 3WAY RMU TOWNSUPPLY		140			
INFRASTRUCTURE AND TECHNICAL SERVICES	MINI BUS (TRAFFIC)	338	410			
	10 TON TIPPER TRUCK: URBAN ROADS (WESTERN DEPOT)			660		
	21x PULL BEHIND JETTING MACHINE WITH TRAILER AND 10 000 LITRE WATER TANKER: URBAN ROADS (SOUTHERN & WESTERN DEPOT)				1 000	
	3 TON TIPPER TRUCK: URBAN ROADS (WESTERN DEPOT)				550	
	4 DOOR SEDAN x 2		575			
	4x4 TLB (WATER AND SANITATION MECHANICAL)		824		1 000	1 000
	7 x TRAFFIC CONTROL SEDANS		2 301			
	ANDRAG PUMP (WATER AND SANITATION SERVICES)		509			
	ANGUS PUMP (WATER AND SANITATION)		27			
	BOB CAT: URBAN ROADS (SOUTHERN DEPOT)					330
	COMPUTER HARDWARE /EQUIPMENT	401				
	CONCRETE MIXER (TRANSPORT ROADS, WESTERN, SOUTHERN & NORTHERN)		221			
	CONCRETE MIXER: URBAN ROADS (WESTERN & SOUTHERN DEPOTS)			394	303	
	CRACK SEALING MACHINE		698			
	CRACK SEALING MACHINE (WESTERN DEPOT)					548

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
INFRASTRUCTURE AND TECHNICAL SERVICES	DOUBLE CAB (WATER QUALITY SECTION)				600	
	DOUBLE CAB 2 TON LDV'S URBAN ROADS: (ROAD MARKINGS & SIGNAGE)			800	800	
	DOUBLE CAB LDV x 2		819			
	DUMPER: URBAN ROADS (WESTERN DEPOT)				264	
	DVD PLAYER/DIGITAL CAMERA	4				
	FINANCE EXPENDITURE SECTION VEHICLE		288			
	FIRE ENGINE		1 500			
	GENERAL VEHICLES	7 145				
	GRADER (RURAL ROADS)					1 749
	LDV BAKKIE: URBAN ROADS (NORTHERN DEPOT)				250	
	MINI EXCAVATOR: URBAN ROADS (SOUTHERN DEPOT)					550
	MUNICIPAL ISSUE TRACKING SYSTEMS		1 000			200
	MUNICIPAL TRACKING SYSTEMS		1 167			850
	OFFICE AMENDMENTS	2				
	OFFICE FURNITURE	107	4			
	PERSONNEL CARRIER		490			
	PLANT AND EQUIPMENT	259	26			
	PRESSURE MANAGEMENT THROUGHOUT THE PIPE NETWORK		500			
	RADIOS		100			
	REFUSE TRUCKS		4 700	4 000	4 000	3 000
	REPLACEMENT - ELECTRICITY (AERIAL PLATFORMS V1050,V224,V405)		285			
	REPLACEMENT - ENGINEERING SERVICES (EPOXY FLOOR - MECHANICAL WORKSHOP)		340			
	REPLACEMENT - ENGINEERING SERVICES (PNEUMATIC PUMPS - MECHANICAL WORKSHOP)		30			
	REPLACEMENT - ROADS		3 414			
	REPLACEMENT - WATER & SANITATION		385			
	REPLACEMENT - WATER & SANITATION V1047,V1054,V1079,V1105,V1128,V1129,V1178		2 694		1 000	2 500
	REPLACEMENT NEXT PHASE MAIN BUILDING FIRE		100			
	REPLACEMENT VEHICLES			7 788	7 846	9 981
	ROAD MARKING MACHINE (ROAD MARKINGS AND SIGNAGE SECTION)		358			
	SEDAN - FINANCIAL SERVICES EMPANGENI				315	
	SEDAN - FINANCIAL SERVICES SCM				315	

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
INFRASTRUCTURE AND TECHNICAL SERVICES	SELF PROPELLED WALK BEHIND DOUBLE DRUM ROLLER 0.6M: URBAN ROADS (SOUTHERN DEPOT)			72	76	
	TECHNICAL OPERATIONAL CENTRE		1 000		500	1 000
	TLB: URBAN ROADS (WESTERN DEPOT)				880	
	TOC - CIVIC CENTRE	177				
	TRAILERS: URBAN ROADS (2 X WESTERN DEPOT 1 X ROAD MARKINGS & SIGNAGE SECTION)			72		
	TRUCK 3 TON: URBAN ROADS (ROAD MARKINGS & SIGNAGE SECTION)			400		
	UPGRADE - ALL TRAFFIC INTERSECTIONS AND CONTROLLERS				2 000	2 000
	UPGRADE OF TELEMETRY					500
	UPGRADE RADIO SYSTEMS TO SUSTAIN NETWORK COVERAGE WITHIN THE CITY		500	-	850	1 000
	UPGRADING OF TELEMETRY	747	423			
	UPGRADING OF TELEMETRY (RESERVOIRS)	662	508		1 000	1 500
	WACKER COMPACTOR: URBAN ROADS (WESTERN DEPOT)			35	37	
	WATER TANKER 14000L (WATER AND SANITATION SERVICES)		2 825		6 000	4 670
	WATER TANKER TRUCK 10000 (4 X 4) (RURAL ROADS)			1 516		
	WATER TANKERS		1 412			
INFRASTRUCTURE AND TECHNICAL SERVICES	ANNUAL KERB REPLACEMENT CONTRACT					350
	ANNUAL WALKWAY REHABILITATION					350
	BUS SHELTERS & LAYBYES - ALL AREAS	1 157	386	522	350	400
	BUS SHELTERS AND LAYBYES (UDM)	97				
	CIVIC SERVICES INFILL AREAS (J2 & H2 AREA)		6 518			
	CIVIC SERVICES INFILL	745				
	CIVIL SERVICES - B1030 NGWELEZANE	72	3 612			1 000
	COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP) - COUNTER FUNDING				700	700
	CONCRETE LINING OF OPEN STORM WATER SYSTEMS IN Esikhaleni					500
	CONCRETE LINING OF OPEN STORM WATER SYSTEMS IN NGWELEZANE					500
	DUMISANI MAKHAYE VILLAGE INTERNAL SERVICES PH	1 861				
	EMPANGENI "A" TAXI RANK		250			
	ESIKHALENI MALL PARKING - TAXI LOADING & HOLDING AREAS		438			

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
INFRASTRUCTURE AND TECHNICAL SERVICES	eSIKHALENI MALL ROAD SAFETY		1 700	1 000	1 600	3 050
	INDIGENOUS FOREST PLANTING				400	
	INSTALL TRAFFIC CALMING AND SPEED HUMPS		40			
	NKONINGA/ FISH EAGLE FLIGHT - ROAD UPGRADES TRAFFIC INTERSECTION INSTALLATION		885	200		
	OFFICE FURNITURE	13	104	121	95	97
	PEDESTRAIN BRIGDES AND WALKWAYS RURAL AREA	982				
	PEDESTRIAN BRIDGES RURAL AREAS			720	736	800
	PLANT AND EQUIPMENT	27	67	444	107	115
	PROVISION OF RURAL ROADS					723
	RELOCATION OF SWESIK STAND H4186 (INFILL SITE)		279			
	ROAD RECONSTRUCTION VARIOUS THAT FALL OUTSIDE THE RESEALING SCOPE - 7KM					1 000
	STORM WATER PIPE JACKING UNDER NORTH CENTRAL ARTERIAL			200		
	STREET REHABILITATION - TANNER ROAD		6 306	5 000	5 000	4 000
	STRUCTURAL UPGRADE AND ROOFING - STORE ROOM WESTERN ROADS DEPOT			570		
	TRAFFIC CALMING	883	322	150	100	250
	TUSK CASINO PEDESTRIAN SAFETY - NEW ROBOTS & ASSOCIATED WORK (COUNCIL)	964	427			
	UPGRADE & SIGNALISE OF 2 INTERSECTIONS WITHIN THE CITY OF UMHLATHUZE			325	350	
	UPGRADING AND WIDENING MAIN ROAD THROUGH EMPANGENI		7 000			
	WALKWAYS URBAN AREAS	221	279	550	400	750
INFRASTRUCTURE AND TECHNICAL SERVICES	5 JOJO TANKS	20	20	50		
	BINDING AND LAMINATOR MACHINE FOR WATER 7 SAN SECTION		9			
	BRACKENHAM PUMPSTATION RISER MAIN		912			
	BULK AND RETICULATION		745	300	1 000	2 000
	BULK MASTER PLAN	1 559	1 499			
	CLOCKING MACHINES		14			
	COMPUTER HARDWARE /EQUIPMENT	27				
	CONSTRUCTION OF 20ML RESERVOIR EMPANGENI (HILLTOP)		11 000	23 200	200	550
	DOUBLING SECTION OF MAIN OUTFALL SEWER ARBORETUM MACERATOR		3 300	2 300	1 000	
	DUMISANI MAKHAYE VILLAGE INTERNAL SERVICES PHASE 7	1 877	2 602			
	ELECTRICAL HOIST	19				

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
INFRASTRUCTURE AND TECHNICAL SERVICES	ESIKHALENI WATER IMPROVEMENTS					
	eSIKHALENI WATER SYSTEMS	1 887				
	eSIKHALENI WATER TREATMENT PLANT HIGH LIFT PUMP	90				
	FELIXTON PUMPSTATION UPGRADE		24			
	GENERATOR LAKE CUBU WATER TREATMENT PLANT		1 978			
	IMPLEMENTATION OF UPGRADES TO EMPANGENI SEWER RETICULATION (ZIDEDELE, LOGANS, KILDARE AND KILGORE)		2 290	3 800		2 000
	INSTALLATION BULK METER		1 000		1 000	2 000
	INSTALLATION OF ALARM SYSTEM AT PUMPSTATION	8				
	JETTING MACHINE		300			
	KULEKA PUMP STATION - UPGRADE PIPES, VALVES AND PUMPS		265			
	LABORATORY EQUIPMENT		1 172		800	2 000
	MASSIFICATION GRANT					9 786
	MATSHANA REPLACEMENT GENERATOR				1 000	1 900
	MIG VAT	28				
	MIGVAT	2 783				
	MS 10 DOUBLE PUMP PLUS ADDITIONAL PUMP AND ELECTRICAL PANEL SET		869			
	MZINGAZI VILLAGE SEWER PROJECT (COUNTER FUNDING)	167	400		200	600
	NEW WATER METERS (RURAL)		1 770	1 000	1 000	1 000
	NGWELEZANE WATER WORKS GENERATOR				1 000	1 900
	NORTH ROAD PUMP STATION - COMPLETE UPGRADE		519			-
	NSELENI PUMPSTATION GENERATOR				1 000	1 900
	OFFICE AMENDMENTS	102				
	OFFICE FURNITURE	169	223	150	160	300
	PLANT AND EQUIPMENT	230				
	PLUMBERS TOOL SETS		124	150	75	35
	PUMPSTATIONS		996			
	RECORDER - SECRETARY: HEAD OF WATER AND SANITATION		2			
	REPLACEMENT SEWER (A NGWELEZANE)	630	535		2 000	3 000

**SA36: Detailed capital budget per municipal vote (continued)**

Municipal Vote/Capital project	Program/Project description	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand						
INFRASTRUCTURE AND TECHNICAL SERVICES	REPLACEMENT SEWER RETICULATION & UPGRADE MANHOLE			200	1 500	1 800
	RICHARDS BAY WATER IMPROVEMENTS PHASE 1		4 400			
	RURAL AREAS - DUBE TRIBAL AREA NORTH BULK WATER SUPPLY LINE (COUNTER FUNDING)	132	439			
	RURAL AREAS - MKHWANAZI NORTH PHASE 5 WATER SUPPLY (COUNTER FUNDING)	143	348	300	1 000	2 000
	RURAL AREAS MKHWANAZI NORTH PHASE 5 WATER SUPPLY	4 132				
	RURAL HOUSEHOLDS INFRASTRUCTURE		1 609	4 500	5 000	
	RURAL SANITATION	28 706		59 040	61 647	64 464
	RURAL SANITATION - MIG VAT	902				
	RURAL SANITATION (COUNTER FUNDING)	1 140		500	3 500	3 500
	RURAL/SEMI-URBAN AREAS	4 319	83 697	29 066	30 349	31 736
	RURAL/SEMI-URBAN AREAS (ROLL-OVERS)		64 764			
	STANDBY PUMPS	109	1 048	700	1 100	2 000
	SUBMERSIBLE PUMPS	107				
	UPGRADE - HILLVIEW SEWER RISING MAIN		700			
	UPGRADE - VULINDLELA SEWER PIPELINE		2 800	2 000	7 000	3 000
	UPGRADE OF MAGAZULU RISER MAIN		500			
	URBAN/SEMI URBAN AREAS	165				
	VALVES UPGRADE (POTABLE WATER)		435		500	2 000
	WATER INFRASTRUCTURE PROJECTS		17 547			
	WATER INFRASTRUCTURE PROJECTS (MWIG)			18 850	50 882	7 921
	WATER LOSS INTERVENTION	465	35		500	800
	WATER METERS RURAL AREAS	750				
	WATER QUALITY COMPLIANCE	697	857	1 300	1 510	2 000
OFFICE OF THE MUNICIPAL MANAGER	INTANGIBLES	49				
	OFFICE FURNITURE		225	44	44	78
	PLANT AND EQUIPMENT	22				
<b>Capital expenditure</b>		<b>115 036</b>	<b>467 890</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>

**Table 66 MBRR SA37 - Projects delayed from previous financial year**

Municipal Vote/Capital project	Project name	Asset Class 3	Asset Sub-Class 3	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
				Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand							
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY							
2.1 - FIRE BRIGADE (005)	ESIKHALENI FIRE STATION - PLAN AND CONSTRUCTION	Community	Fire, safety & emergency	1 341	2 726		
	RICHARDS BAY FIRE BRIGADE - STRUCTURAL	Community	Fire, safety & emergency	460	200		
Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES							
3.4 - PARKS AND GARDENS (023)	PARKS DEVELOPMENT	Community	Parks & gardens	670	1 000	1 000	1 800
3.9 - SWIMMING POOLS (042)	SWIMMING POOLS - EQUIPMENT	Community	Swimming pools	100	30	105	110
3.11 - PARKS DISTRIBUTION (073)	REPLACEMENT RIDE-ON MOWERS	Other Assets	Plant & equipment	948	500	–	800
	HAND MOWERS, CHAIN SAWS, BRUSH CUTTERS	Other Assets	Plant & equipment	413	200	–	400
Vote 4 - CORPORATE SERVICES - ADMINISTRATION							
4.8 - IT SERVICES (082)	IT EQUIPMENT	Other Assets	Computers - hardware/equipment	8			1 000
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES							
8.4 - WATER RURAL AREAS (046)	RURAL/SEMI-URBAN AREAS	Infrastructure - Water	Reticulation	45 000	29 066	30 349	31 736

## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

**1. In year reporting**

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

**2. Internship programme**

The City is participating in the Municipal Financial Management Internship programme and has employed six interns undergoing training in various divisions of the Financial Services Department. From the onset of this programme, Council has appointed eight interns on a permanent basis.

**3. Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

**4. Audit Committee**

An Audit Committee has been established and is fully functional.

**5. Enterprise Risk Management Committee**

A ERM committee has been established and is fully functional

**6. Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in May 2014 directly aligned and informed by the 2014/15 MTREF.

**7. Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements.

**8. MFMA Training**

The MFMA training module in electronic format is presented at the City's internal centre and training is ongoing.



## 2.13 Other supporting documents

**Table 67 MBRR SA1 - Supporting detail to budgeted financial performance**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>REVENUE ITEMS:</b>									
<b><u>Property rates</u></b>									
Total Property Rates	178 078	204 614	238 007	302 910	308 910	308 910	343 953	378 349	416 183
less Revenue Foregone	–	–	–	27 910	28 910	28 910	29 953	32 949	36 243
<b>Net Property Rates</b>	<b>178 078</b>	<b>204 614</b>	<b>238 007</b>	<b>275 000</b>	<b>280 000</b>	<b>280 000</b>	<b>314 000</b>	<b>345 400</b>	<b>379 940</b>
<b><u>Service charges - electricity revenue</u></b>									
Total Service charges - electricity revenue	766 601	966 962	1 091 706	1 141 500	1 288 622	1 288 622	1 385 000	1 495 800	1 615 464
<b>Net Service charges - electricity revenue</b>	<b>766 601</b>	<b>966 962</b>	<b>1 091 706</b>	<b>1 141 500</b>	<b>1 288 622</b>	<b>1 288 622</b>	<b>1 385 000</b>	<b>1 495 800</b>	<b>1 615 464</b>
<b><u>Service charges - water revenue</u></b>									
Total Service charges - water revenue	128 360	134 008	158 637	166 853	174 681	174 681	204 600	222 922	242 887
<b>Net Service charges - water revenue</b>	<b>128 360</b>	<b>134 008</b>	<b>158 637</b>	<b>166 853</b>	<b>174 681</b>	<b>174 681</b>	<b>204 600</b>	<b>222 922</b>	<b>242 887</b>
<b><u>Service charges - sanitation revenue</u></b>									
Total Service charges - sanitation revenue	54 755	59 702	66 946	74 241	72 841	72 841	78 000	84 240	90 979
<b>Net Service charges - sanitation revenue</b>	<b>54 755</b>	<b>59 702</b>	<b>66 946</b>	<b>74 241</b>	<b>72 841</b>	<b>72 841</b>	<b>78 000</b>	<b>84 240</b>	<b>90 979</b>
<b><u>Service charges - refuse revenue</u></b>									
Total refuse removal revenue	39 044	46 088	52 520	57 050	58 390	58 390	62 000	66 960	72 317
<b>Net Service charges - refuse revenue</b>	<b>39 044</b>	<b>46 088</b>	<b>52 520</b>	<b>57 050</b>	<b>58 390</b>	<b>58 390</b>	<b>62 000</b>	<b>66 960</b>	<b>72 317</b>
<b><u>Other Revenue by source</u></b>									
Refund Insurance Claims	381	359	148	1 169	1 169	1 169	1 229	1 289	1 354
Concession Fees	399	501	454	400	400	400	390	417	447
Extention Fees	14 958	10 098	72 889	8 660	8 660	8 660	9 444	10 105	10 812
Drivers Licence (Renewal)	1 400	1 852	2 023	1 800	2 000	2 000	2 100	2 247	2 404
Railway Sidings	935	1 133	1 008	870	870	870	1 000	1 070	1 145
Settlement Discount Fees	755	593	1 175	850	1 200	1 200	1 100	1 177	1 259
Skills Levies	966	2 077	1 755	1 000	800	800	340	364	389
Fees Sundries	7 031	(5 841)	14 981	857	949	949	848	908	971
Sale of Impounded Vehicles	–	–	–	1	1	1	1	1	1
Other Revenue	187	2 357	13 882	122	134	134	101	107	114
<b>Total 'Other' Revenue</b>	<b>27 011</b>	<b>13 129</b>	<b>108 315</b>	<b>15 729</b>	<b>16 183</b>	<b>16 183</b>	<b>16 553</b>	<b>17 685</b>	<b>18 896</b>

**Table SA1 - Supporting detail to budgeted financial performance (Continued)**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>EXPENDITURE ITEMS:</b>									
<b>Employee related costs</b>									
Basic Salaries and Wages	219 353	238 577	261 818	300 247	303 037	303 037	340 225	364 044	391 350
Pension and UIF Contributions	41 792	45 411	54 937	59 019	60 794	60 794	80 394	86 030	92 806
Medical Aid Contributions	17 089	19 835	22 223	31 017	24 293	24 293	32 470	34 746	37 354
Overtime	25 954	27 268	26 267	25 834	28 251	28 251	30 592	32 581	34 700
Performance Bonus	–	–	–	1 060	1 060	1 060	1 124	1 203	1 293
Motor Vehicle Allowance	21 448	24 402	27 988	33 023	32 752	32 752	38 178	40 854	43 922
Cellphone Allowance	801	1 025	1 207	1 595	1 446	1 446	2 128	2 280	2 453
Housing Allowances	4 148	3 755	3 672	4 637	4 052	4 052	4 450	4 764	5 124
Other benefits and allowances	22 719	23 717	26 301	27 247	27 041	27 041	32 368	34 638	37 239
Payments in lieu of leave	6 430	9 196	12 538	21 685	13 299	13 299	17 391	18 611	20 010
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2 124	2 520	3 009	3 401	3 466	3 466	3 821	4 088	4 395
<b>sub-total</b>	<b>361 857</b>	<b>395 706</b>	<b>439 960</b>	<b>508 764</b>	<b>499 490</b>	<b>499 490</b>	<b>583 141</b>	<b>623 840</b>	<b>670 647</b>
Less: Employees costs capitalised to	657	–	2 834	–	–	–	–	–	–
<b>Total Employee related costs</b>	<b>361 199</b>	<b>395 706</b>	<b>437 126</b>	<b>508 764</b>	<b>499 490</b>	<b>499 490</b>	<b>583 141</b>	<b>623 840</b>	<b>670 647</b>
<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	287 923	300 901	345 315	287 733	287 733	287 733	285 116	274 335	266 301
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	208 873	222 658	236 926	142 515	142 515	142 515	102 727	66 366	26 366
<b>Total Depreciation &amp; asset impairment</b>	<b>79 050</b>	<b>78 242</b>	<b>108 389</b>	<b>145 218</b>	<b>145 218</b>	<b>145 218</b>	<b>182 390</b>	<b>207 970</b>	<b>239 935</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	578 674	756 100	854 691	830 923	959 186	959 186	1 006 863	1 087 412	1 174 404
Water Bulk Purchases	70 857	77 960	82 555	97 958	98 782	98 782	89 640	97 355	105 833
<b>Total bulk purchases</b>	<b>649 531</b>	<b>834 060</b>	<b>937 247</b>	<b>928 881</b>	<b>1 057 967</b>	<b>1 057 967</b>	<b>1 096 502</b>	<b>1 184 766</b>	<b>1 280 238</b>

Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>EXPENDITURE ITEMS:</b>									
<b><u>Transfers and grants</u></b>									
Non-cash transfers and grants	5 750	4 862	5 846	8 230	8 467	8 467	11 248	12 036	12 938
<b>Total transfers and grants</b>	<b>5 750</b>	<b>4 862</b>	<b>5 846</b>	<b>8 230</b>	<b>8 467</b>	<b>8 467</b>	<b>11 248</b>	<b>12 036</b>	<b>12 938</b>
<b><u>Contracted services</u></b>									
Cleaning Services	1 623	1 907	1 877	1 718	1 718	1 718	1 821	1 948	2 094
Fire Services	3 727	4 332	4 566	4 900	2 736	2 736	–	–	–
Human Resources	100	–	–	–	–	–	–	–	–
IT Services	4 640	371	134	150	160	160	160	171	184
Medical Services	391	393	443	433	433	433	461	493	531
Meter Reading Service	4 947	4 907	6 770	7 581	8 320	8 320	8 860	9 481	10 192
Security	23 639	20 262	20 902	22 000	23 509	23 509	22 000	23 540	25 306
Sewerage and Purification Works	18 887	19 919	22 495	24 556	30 000	30 000	30 612	32 755	35 211
Sewerage Waste Disposal	6 487	7 058	8 063	8 435	8 320	8 320	9 467	10 130	10 890
Water Purification Works	16 603	19 847	21 776	20 092	24 000	24 000	23 537	25 185	27 074
Other	6 845	21 106	49 811	39 797	48 267	48 267	59 821	63 869	68 170
Rent Equipment and Vehicles	–	–	–	–	–	–	2 930	3 135	3 370
<b>sub-total</b>	<b>87 889</b>	<b>100 102</b>	<b>136 837</b>	<b>129 661</b>	<b>147 463</b>	<b>147 463</b>	<b>159 669</b>	<b>170 707</b>	<b>183 021</b>
<b>Total contracted services</b>	<b>87 889</b>	<b>100 102</b>	<b>136 837</b>	<b>129 661</b>	<b>147 463</b>	<b>147 463</b>	<b>159 669</b>	<b>170 707</b>	<b>183 021</b>

**Table SA1 - Supporting detail to budgeted financial performance (Continued)**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>EXPENDITURE ITEMS:</b>									
<b><u>Other Expenditure By Type</u></b>									
Collection costs	10	57	118	80	2 120	2 120	100	107	115
Contributions to 'other' provisions	–	–	–	–	–	–	–	–	–
Consultant fees	1 941	3 025	6 321	2 026	5 291	5 291	6 784	5 257	5 383
Audit fees	1 657	2 020	3 682	2 650	2 650	2 650	2 809	3 006	3 231
General expenses	5 974	750	680	84 870	94 476	94 476	100 053	96 167	103 090
Advertisements	625	1 041	1 755	1 224	2 099	2 099	2 326	2 489	2 676
Bank Charges	1 041	1 191	1 330	1 500	3 055	3 055	3 100	3 317	3 566
Bursaries	654	659	941	846	1 008	1 008	1 755	1 860	1 972
Community Facilitation	1 940	2 275	4 323	4 500	5 179	5 179	6 061	6 439	6 871
Entertainment	261	670	945	607	1 059	1 059	792	847	911
Environmental Projects	132	181	234	172	318	318	110	118	127
Fuel and Oil	10 301	12 486	14 607	15 277	15 258	15 258	16 489	17 637	18 968
General Training - External	610	881	933	1 141	1 117	1 117	656	701	754
Legal Fees	2 466	2 385	1 600	859	3 909	3 909	1 100	1 177	1 265
Licences and Permits	1 125	1 429	1 577	1 500	1 499	1 499	1 516	1 623	1 744
Marketing and Social Development	309	350	565	374	459	459	664	711	764
Membership Fees	1 913	2 065	3 831	4 106	4 815	4 815	5 664	6 060	6 515
Meter Audits	626	633	319	750	450	450	450	482	518
Postage	1 084	1 134	1 274	1 393	1 553	1 553	1 619	1 733	1 863
Printing and Stationery	2 117	2 327	3 994	3 462	5 963	5 963	6 398	6 838	7 348
Railage	0	–	–	–	–	–	–	–	–
Rent Equipment Vehicles	294	2 904	7 984	879	20 102	20 102	–	–	–
Small Tools	509	465	1 243	345	725	725	669	716	769
Sport Development	1 097	1 155	1 223	1 000	989	989	500	535	575
Stores and Material	1 027	984	1 232	1 100	1 195	1 195	1 307	1 399	1 504
Telephone	1 925	1 595	1 798	1 500	1 769	1 769	1 894	2 026	2 178
Post Employment Medical Benefit	38 794	28 941	32 580	–	–	–	–	–	–
Programming Material	3 795	4 425	4 541	7 101	7 734	7 734	9 451	10 113	10 872
Waste Disposal	–	–	–	–	–	–	4 099	4 386	4 715
Refuse Bags	–	379	468	424	574	574	652	698	750
Refuse Bins	–	416	899	1 025	650	650	681	729	783
Subsistence and Travelling	–	1 235	1 703	1 173	1 539	1 539	1 679	1 796	1 931
Uniforms	–	1 829	3 279	1 929	2 306	2 306	3 983	4 262	4 560
Valuation Roll	–	–	–	–	–	–	1 598	1 710	1 838
Skills Levy	–	–	–	–	–	–	4 297	4 597	4 942
<b>Total 'Other' Expenditure</b>	<b>82 228</b>	<b>79 886</b>	<b>105 977</b>	<b>143 811</b>	<b>189 860</b>	<b>189 860</b>	<b>189 254</b>	<b>189 533</b>	<b>203 094</b>

**Table 68 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Vote 1 - CITY DEVELOPMENT	Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	Vote 3 - COMMUNITY SERVICES - RECREATION AND ENVIRONMEN TAL SERVICES	Vote 4 - CORPORATE SERVICES - ADMINISTRATI ON	Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	Vote 6 - FINANCIAL SERVICES	Vote 7 - INFRASTRUCTU RE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	Vote 8 - INFRASTRUCT URE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES	Vote 9 - INFRASTRUCT URE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	Vote 10 - INFRASTRUCT URE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	Total
<b>R thousand</b>												
<b>Revenue By Source</b>												
Property rates	-	-	-	-	-	314 000	-	-	-	-	-	314 000
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	1 385 000	-	-	-	-	1 385 000
Service charges - water revenue	-	-	-	-	-	-	-	204 600	-	-	-	204 600
Service charges - sanitation revenue	-	-	-	-	-	-	-	78 000	-	-	-	78 000
Service charges - refuse revenue	-	62 000	-	-	-	-	-	-	-	-	-	62 000
Service charges - other	1 285	1 101	1 103	-	1	5 686	2 577	659	-	27	122	12 561
Rental of facilities and equipment	1 078	-	1 860	3 296	-	-	-	-	-	-	2 000	8 234
Interest earned - external investments	-	-	-	-	-	10 605	-	-	-	-	-	10 605
Interest earned - outstanding debtors	-	-	-	-	-	1 542	-	-	-	-	-	1 542
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	8 852	25	-	-	-	-	-	-	-	-	8 877
Licences and permits	73	1 600	-	-	-	55	-	-	-	-	-	1 728
Agency services	-	6 350	-	-	-	-	-	-	-	-	-	6 350
Other revenue	16	2 221	56	980	345	1 818	223	9 554	1 068	255	16	16 553
Transfers recognised - operational	8 419	53 107	7 135	1 143	-	2 530	4 858	177 553	758	5 005	-	260 509
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>10 871</b>	<b>135 231</b>	<b>10 179</b>	<b>5 418</b>	<b>346</b>	<b>336 236</b>	<b>1 392 658</b>	<b>470 367</b>	<b>1 826</b>	<b>5 288</b>	<b>2 138</b>	<b>2 370 559</b>
<b>Expenditure By Type</b>												
Employee related costs	32 363	151 811	76 453	45 101	12 476	51 773	46 081	67 023	44 974	34 780	20 305	583 141
Remuneration of councillors	-	-	-	23 176	-	-	-	-	-	-	-	23 176
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	5 179	4 271	13 282	21 948	69	669	30 006	68 380	23 189	15 212	186	182 390
Finance charges	104	807	2 667	3 792	0	1	20 333	32 219	15 746	1 942	3	77 614
Bulk purchases	-	-	22	-	-	-	998 283	98 197	-	-	-	1 096 502
Other materials	17	65	2 347	766	-	-	5 846	5 879	15 632	4 151	-	34 702
Contracted services	2 194	2 505	15 069	11 828	-	10 853	8 093	76 337	21 639	9 259	1 893	159 669
Transfers and grants	-	2 148	638	1 200	-	4 900	1 381	2 819	-	-	663	13 749
Other expenditure	19 037	72 586	34 506	(80 025)	(8 069)	(66 703)	120 627	107 275	26 125	(21 535)	(11 519)	192 304
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>58 894</b>	<b>234 194</b>	<b>144 983</b>	<b>27 785</b>	<b>4 476</b>	<b>1 493</b>	<b>1 230 650</b>	<b>458 129</b>	<b>147 305</b>	<b>43 809</b>	<b>11 530</b>	<b>2 363 247</b>
<b>Surplus/(Deficit)</b>	<b>(48 023)</b>	<b>(98 962)</b>	<b>(134 804)</b>	<b>(22 367)</b>	<b>(4 130)</b>	<b>334 743</b>	<b>162 008</b>	<b>12 238</b>	<b>(145 479)</b>	<b>(38 521)</b>	<b>(9 392)</b>	<b>7 311</b>
Transfers recognised - capital	-	-	-	-	-	-	8 000	111 456	-	-	-	119 456
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(48 023)</b>	<b>(98 962)</b>	<b>(134 804)</b>	<b>(22 367)</b>	<b>(4 130)</b>	<b>334 743</b>	<b>170 008</b>	<b>123 694</b>	<b>(145 479)</b>	<b>(38 521)</b>	<b>(9 392)</b>	<b>126 767</b>

**Table 69 MBRR SA3 – Supporting detail to Statement of Financial Position**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>ASSETS</b>									
<u>Call investment deposits</u>									
Call deposits < 90 days	–	80 000	40 000	100 000	150 000	150 000	150 000	150 000	200 000
<b>Total Call investment deposits</b>	<b>–</b>	<b>80 000</b>	<b>40 000</b>	<b>100 000</b>	<b>150 000</b>	<b>150 000</b>	<b>150 000</b>	<b>150 000</b>	<b>200 000</b>
<u>Consumer debtors</u>									
Consumer debtors	144 354	205 250	262 463	213 460	262 463	262 463	284 510	308 509	334 315
Less: Provision for debt impairment	(16 500)	(19 500)	(23 000)	(24 075)	(25 075)	(25 075)	(28 125)	(30 414)	(32 733)
<b>Total Consumer debtors</b>	<b>127 854</b>	<b>185 750</b>	<b>239 463</b>	<b>189 385</b>	<b>237 388</b>	<b>237 388</b>	<b>256 385</b>	<b>278 096</b>	<b>301 582</b>
<u>Debt impairment provision</u>									
Balance at the beginning of the year	15 000	16 500	19 500	22 000	23 000	25 075	25 075	28 125	31 389
Contributions to the provision	2 310	3 000	3 647	2 075	2 075	2 075	3 050	3 264	3 508
Bad debts written off	(810)	–	(147)	–	–	–	–	–	–
<b>Balance at end of year</b>	<b>16 500</b>	<b>19 500</b>	<b>23 000</b>	<b>24 075</b>	<b>25 075</b>	<b>27 150</b>	<b>28 125</b>	<b>31 389</b>	<b>34 897</b>
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	10 788 658	10 853 138	10 951 251	11 416 064	11 546 842	11 546 842	11 678 717	11 955 730	12 251 326
Less: Accumulated depreciation	6 316 232	6 503 369	6 844 944	7 048 779	7 067 624	7 067 624	7 444 500	7 678 318	7 894 410
<b>Total Property, plant and equipment (PPE)</b>	<b>4 472 425</b>	<b>4 349 769</b>	<b>4 106 307</b>	<b>4 367 285</b>	<b>4 479 218</b>	<b>4 479 218</b>	<b>4 234 217</b>	<b>4 277 412</b>	<b>4 356 916</b>
<b>LIABILITIES</b>									
<u>Current liabilities - Borrowing</u>									
Current portion of long-term liabilities	81 205	94 791	106 224	109 141	106 676	106 676	122 938	128 273	131 617
<b>Total Current liabilities - Borrowing</b>	<b>81 205</b>	<b>94 791</b>	<b>106 224</b>	<b>109 141</b>	<b>106 676</b>	<b>106 676</b>	<b>122 938</b>	<b>128 273</b>	<b>131 617</b>
<u>Trade and other payables</u>									
Trade and other creditors	200 719	237 711	250 276	249 597	249 597	249 597	265 072	280 711	296 150
Unspent conditional transfers	24 470	47 516	113 803	116 357	116 357	116 357	116 357	116 357	116 357
VAT	–	–	–	2 685	2 685	2 685	–	–	–
<b>Total Trade and other payables</b>	<b>225 189</b>	<b>285 226</b>	<b>364 078</b>	<b>368 639</b>	<b>368 639</b>	<b>368 639</b>	<b>381 429</b>	<b>397 068</b>	<b>412 507</b>
<u>Non current liabilities - Borrowing</u>									
Borrowing	750 237	732 522	625 250	722 333	724 032	724 032	686 593	648 320	641 704
<b>Total Non current liabilities - Borrowing</b>	<b>750 237</b>	<b>732 522</b>	<b>625 250</b>	<b>722 333</b>	<b>724 032</b>	<b>724 032</b>	<b>686 593</b>	<b>648 320</b>	<b>641 704</b>
<u>Provisions - non-current</u>									
Retirement benefits	189 391	218 332	204 419	230 121	233 332	233 332	249 175	265 122	282 090
<b>Total Provisions - non-current</b>	<b>189 391</b>	<b>218 332</b>	<b>204 419</b>	<b>230 121</b>	<b>233 332</b>	<b>233 332</b>	<b>249 175</b>	<b>265 122</b>	<b>282 090</b>
<b>CHANGES IN NET ASSETS</b>									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	3 686 569	3 520 018	3 481 844	3 687 078	3 572 499	3 572 499	3 707 704	3 465 460	3 623 343
GRAP adjustments	20 135	111 675	–	–	–	–	–	–	–
Restated balance	3 706 704	3 631 693	3 481 844	3 687 078	3 572 499	3 572 499	3 707 704	3 465 460	3 623 343
Surplus/(Deficit)	15 668	75 377	185 507	102 040	247 706	247 706	126 767	180 934	147 633
Appropriations to Reserves	–	(2 568)	–	–	(81 388)	(81 388)	(54 482)	(61 000)	(73 000)
Transfers from Reserves	4 804	–	6 541	–	–	–	–	–	–
Depreciation offsets	(208 873)	(222 658)	(236 926)	–	–	–	–	–	–
Other adjustments	–	–	–	(216 618)	(31 114)	(31 114)	(314 529)	37 950	104 663
<b>Accumulated Surplus/(Deficit)</b>	<b>3 518 303</b>	<b>3 481 844</b>	<b>3 436 965</b>	<b>3 572 499</b>	<b>3 707 704</b>	<b>3 707 704</b>	<b>3 465 460</b>	<b>3 623 343</b>	<b>3 802 639</b>
<u>Reserves</u>									
Housing Development Fund	54 279	56 848	50 306	52 296	52 296	52 296	53 341	54 408	55 496
<b>Total Reserves</b>	<b>54 279</b>	<b>56 848</b>	<b>50 306</b>	<b>52 296</b>	<b>133 684</b>	<b>133 684</b>	<b>107 823</b>	<b>115 408</b>	<b>128 496</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 572 582</b>	<b>3 538 691</b>	<b>3 487 271</b>	<b>3 624 795</b>	<b>3 841 388</b>	<b>3 841 388</b>	<b>3 573 283</b>	<b>3 738 751</b>	<b>3 931 135</b>

Table 70 MBRR SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>											
Population	2011 Census	289 189	332 154	–	334 459	334 459	–	339 309	344 399	349 565	354 808
Females aged 5 - 14	2011 Census	32 308	36 771	–	30 698	30 698	–	31 143	31 610	32 084	32 565
Males aged 5 - 14	2011 Census	31 832	35 367	–	31 089	31 089	–	31 540	32 013	32 493	32 980
Females aged 15 - 34	2011 Census	61 342	37 895	–	73 851	73 851	–	74 922	76 046	77 187	78 345
Males aged 15 - 34	2011 Census	56 427	69 726	–	69 595	69 595	–	70 604	71 663	72 738	73 829
Unemployment	Census	46 038	462 310	–	38 532	38 532	–	39 091	39 677	40 272	40 876
<b>Monthly household income (no. of households)</b>											
No income	Income levels as per Census 2011 provided at individual levels. Projected of 1.45% applied	18 231	4 806	–	136 821	136 821	–	138 805	140 887	143 000	146 218
R1 - R1 600	Income levels as per Census 2011 provided at individual levels	5 310	14 200	–	93 085	93 085	–	94 435	95 851	97 288	98 747
R1 601 - R3 200	Income levels as per Census 2011 provided at individual levels	10 370	4 597	–	16 998	16 998	–	17 244	17 502	17 895	18 163
R3 201 - R6 400	Income levels as per Census 2011 provided at individual levels	–	–	–	13 948	13 948	–	14 150	14 362	14 577	14 795
R6 401 - R12 800	Income levels as per Census 2011 provided at individual levels	–	–	–	15 364	15 364	–	15 587	15 820	16 057	16 297
R12 801 - R25 600	Income levels as per Census 2011 provided at individual levels	–	–	–	12 373	12 373	–	12 552	12 740	12 931	13 125
R25 601 - R51 200	Income levels as per Census 2011 provided at individual levels	–	–	–	4 659	4 659	–	4 727	4 797	4 868	4 941
R52 201 - R102 400	Income levels as per Census 2011 provided at individual levels	–	–	–	864	864	–	877	890	910	923
R102 401 - R204 800	Income levels as per Census 2011 provided at individual levels. Discounted at 4.56% needed	–	–	–	388	388	–	394	400	406	412
R204 801 - R409 600	Income levels as per Census 2011 provided at individual levels. Discounted at 4.56% needed	–	–	–	253	253	–	257	261	264	267
R409 601 - R819 200	Income levels as per Census 2011 provided at individual levels. Discounted at 4.56% needed	–	–	–	–	–	–	–	–	–	–
> R819 200	Income levels as per Census 2011 provided at individual levels	–	–	–	–	–	–	–	–	–	–
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month	Income levels as per Census 2011 provided at individual levels	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insert description											
<b>Household/demographics (000)</b>											
Number of people in municipal area		289 189	332 154	-	334 459	334 459	–	339 309	344 399	349 565	354 808
Number of poor people in municipal area	Individual with no income and income below R800pm	250 709	267 418	-	201 823	201 823	–	204 749	207 820	210 937	214 101
Number of households in municipal area	Increase of 1.45% projected	67 127	81 005	-	86 609	86 609	–	87 865	89 182	90 519	91 876
Number of poor households in municipal area		-	-	-	51 965	51 965	–	52 719	53 509	54 311	55 125
Definition of poor household (R per month)		>R1100/pmt	>R1100/pmt	-	-	-	-	-	-	-	-
<b>Housing statistics</b>											
Formal	Included census figure not mentioned under informal	51 605	63 803	-	76 477	76 477	-	77 586	78 749	79 930	-
Informal	Included census figure for traditional dwellings, informal	5 500	3 082	-	10 132	10 132	-	10 279	10 433	10 589	-
<b>Total number of households</b>		57 105	66 885	-	86 609	86 609	-	87 865	89 182	90 519	-
Dwellings provided by municipality	N/A. Funding streams from province	-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s	As per government funded projects. Estimated number of	-	-	-	-	-	-	500	-	-	-
Dwellings provided by private sector		-	-	-	-	-	-	-	-	-	-
<b>Total new housing dwellings</b>		-	-	-	-	-	-	500	-	-	-
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					5.0%						
Interest rate - borrowing					11.3%						
Interest rate - investment					n/a						
Remuneration increases					8.5%						
Consumption growth (electricity)											
Consumption growth (water)											
<b>Collection rates</b>											
Property tax/service charges					98.5%			98.0%			
Rental of facilities & equipment					98.5%			98.0%			
Interest - external investments					100.0%			100.0%			
Interest - debtors											
Revenue from agency services											

**Table 71 MBRR SA32 – List of external mechanisms**

External mechanism  Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
KwaZulu Natal Sharks Board	Mths	36	Meshing Fees	30 June 2016	1 892
Richards Bay Country Club	Mths	12	Annual Maintenance Subsidy	30 June 2014	348
Various Contractors	Mths	11	Grass Cutting	30 June 2014	1 766
Various Contractors	Mths	11	Grass Cutting - Cemeteries	30 June 2014	523
KHM Land Surveyors	Mths	3	Tachy Survey - Mzingazi West	30 June 2014	87
KHM Land Surveyors	Mths	3	Tachy Survey - Mzingazi East	30 June 2014	111
EDS Consulting	Mths	6	Basic Assessment (BA) for phase 2 and 3 of Alkantstrand/Newark Beach development/ upgrade	30 June 2014	52
Delca	Mths	3	Traffic Impact Assessment for Hillview re-layout PDA	30 June 2014	35
Thorn-Ex	Mths	6	Phase 1 of Integrated Wetland Management Plan	30 June 2014	16
UIS/Neluvuyo	Yrs	3	Check meter reading	31 July 2016	1 158
Ntiyiso	Mths	3	Local Government Levy	30 April 2014	2 100
Trend Micro	Mths	12	Anti-virus for desktops and servers	28 July 2014	139
GWAVA	Mths	12	E-mail spam filtering	22 February 2015	106
SepSeam	Mths	12	Corporate backup solution	30 June 2014	106
GWAVA Retain	Mths	12	mail archiving solution	22 October 2014	–
Sysman	Mths	12	Emergency services system	30 June 2014	98
Fujitsu	Mths	12	ProMis Financial System Licenses	30 June 2014	625
Fujitsu	Mths	12	ProMis Financial System SLA	30 June 2014	184
Finstel - Old Empagani Financial System	Mths	0	Financial system (retired)	n/a	–
Dune Technology	Mths	6	Fleet Management System (FMA)	30 June 2014	24
ESRI	Mths	36	GIS Software - Enterprise Licenses Agreement	30 September 2015	2 085
KnowledgeBase	Mths	12	CAD Software	30 June 2014	193
XON	Mths	12	Management of Technical Plans	30 June 2014	22
Payday	Mths	12	HR and payroll system - Licenses Agreement	30 June 2015	301
Payday	Mths	12	HR and payroll system - SLA	30 June 2014	204
WatchGuard	Mths	12	Firewall management	30 June 2014	26
Microsoft	Mths	12	Desktop and Server Operating System, desktop software	30 June 2014	1 505
SITA	Mths	12	Novell software products	30 June 2014	1 426
ITRON	Mths	12	Pre-payment electricity	30 June 2014	1 684
OMEGA Digital Systems	Mths	36	Delegate Audio system	28 February 2017	157
COMSOL wireless networks	Mths	6	Radio links - network infrastructure	30 June 2014	122
IS Business Solutions	Mths	36	Internet services	30 June 2014	301
Neotel	Mths	36	Internet services	30 June 2014	392
Coretalk	Mths	6	Bulk SMS	30 June 2014	29
Nashua	Mths	36	Managed Print Solution	31 December 2015	5 760
EOH	Mths	36	Telephone exchange Management system	15 March 2016	3 082
Sthombe Contracts CC	Mths	8	Refurbishment of eSikhaleni Hostels : H395	01 February 2013	4
Mamis Construction	Mths	6	Refurbishment of eSikhaleni Hostels : H862	20 December 2013	4
Isidingo Trading	Mths	4	Refurbishment of eSikhaleni Hostels : H395	01 March 2014	2
X Moor Transport	Yrs	2	Supply of gravel and other road building material	01 June 2014	Rate based
JPS Transport	Yrs	2	Supply of gravel and other road building material	01 June 2014	Rate based
Begane Quarries	Yrs	2	Supply of gravel and other road building material	01 June 2014	Rate based
V & V Consulting	Yrs	3	Pavement management system and contract monitoring	31 October 2015	951
R & H Rail	Yrs	3	Rail Siding Consultant	15 April 2016	109
Lincor Services	Yrs	3	Rail Siding Consultant	27 August 2016	2 731
Cifiso Trading	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	958
Enuf Distributors	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	903
Silver Solutions	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	941
Golden Rewards	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	1 109
Hkule Development Enterprise	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	1 055
Asihambe Womens Contractors	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	1 179
Lekhisa Trade Contractors	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	1 176
BBNM	Yrs	2	Cleaning of stormwater servitudes and street cleaning	01 January 2015	1 131



## 2.14 Municipal manager's quality certificate

### City of uMHLATHUZE

5 Mark Strasse Central Business District Private Bag X1004 Richards Bay 3900  
+27 35 907 5000 +27 35 907 5444/5/6/7  
Emergency Number: +27 35 797 3314 Cell: 082 233 9015  
Website: <http://www.richemp.org.za> E-mail: [reg@richemp.org.za](mailto:reg@richemp.org.za)



Your ref: KZN 282

Our file ref: 5/1/1 - 2014/2015

Contact: Municipal Manager

In response to DMS No: 911625

Date: 20/03/2014

#### QUALITY CERTIFICATE

I, Nhlanhla Sibeko, Municipal Manager of the City of uMhlathuze, hereby certify that the Tabled Medium Term Revenue and Expenditure Framework Plan (MTREF) and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Tabled Medium Term Revenue and Expenditure Framework and supporting documentations are consistent with the Integrated Development Plan of the municipality.

DR NJ SIBEKO

MUNICIPAL MANAGER OF CITY OF uMHLATHUZE KZN282

SIGNATURE: 

DATE: 24/03/2014

ALL CORRESPONDENCE MUST BE ADDRESSED TO THE CITY MANAGER